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BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

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|------------------------|---|
| Proceeding | 91207836 |
| Party | Plaintiff Volvo Trademark Holding AB |
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| Date | 05/11/2016 |
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Group Management

1. Olof Persson

President and CEO

Born 1964. B. Sc. in Business Administration and Economics, President of AB Volvo and Chief Executive Officer of the Volvo Group since September 1, 2011. President of Volvo Construction Equipment 2008–2011. President of Volvo Aero 2006–2008. With Volvo since 2006. Member of the Volvo Board since September 1, 2011. **Holdings in Volvo, own and related parties:** 56,344 Series B shares.

2. Dennis Slagle

Executive Vice President
Group Trucks Sales & Marketing Americas

Born 1954. B. Sc. President and CEO of North American Trucks 2009–2011. President and CEO of Mack Trucks, Inc. 2008–2009. President and CEO of Volvo Construction Equipment North America 2003–2008. Member of the Group Executive Team since 2008. With Volvo since 2000. **Board member:** West Virginia Wesleyan College Board of Trustees. **Holdings in Volvo, own and related parties:** 15,271 Series B shares.

3. Peter Karlsten

Executive Vice President
Group Trucks Sales & Marketing EMEA

Born 1957. M. Sc. Electrical Engineering. President of Volvo Powertrain 2007–2011. Senior Vice President Technology for the Volvo Group 2007–2011. Head of Volvo's North American truck operations 2003–2007. Head of Volvo Trucks in Brazil 2001–2003. Member of the Group Executive Team since 2007. With Volvo since 2001. **Holdings in Volvo, own and related parties:** 99,195 shares, including 98,979 Series B shares.

4. Joachim Rosenberg

Executive Vice President
Group Trucks Sales & Marketing APAC

Born 1970. M. Sc. Industrial Engineering and Management, M. Sc. Financial Economics, M. Sc. Business and Economics. Has held various senior positions in the Volvo Group, most recently as President of Volvo Group Asia Truck Operations 2007–2011. Vice President Volvo Powertrain Alliance Office 2007. Vice President Volvo Powertrain 2005–2007. Member of the Group Executive Team since 2012. With Volvo since 2005. **Holdings in Volvo, own and related parties:** 8,224 Series B shares.

5. Mikael Bratt

Executive Vice President Group Trucks Operations

Born 1967. Has held various senior positions in the financial areas in the Volvo Group, most recently as Senior Vice President and CFO 2008–2011. Prior to that Vice President and Head of Corporate Finance at AB Volvo. Member of the Group Executive Team since 2008. With Volvo since 1988. **Holdings in Volvo, own and related parties:** 78,884 shares, including 77,992 Series B shares.

6. Torbjörn Holmström

Executive Vice President Group Trucks Technology

Born 1955. M. Sc. Mechanical Engineering. President of Volvo 3P 2003–2011. Prior to that he has held various senior positions at Volvo Powertrain. Member of the Group Executive Team since 2012. With Volvo since 1979. **Holdings in Volvo, own and related parties:** 36,343 Series B shares.

7. Pär Östberg

Executive Vice President Truck Joint Ventures

Born 1962. Master of Business Administration. Has held various senior positions in the Volvo Group, most recently as Senior Vice President and President Trucks Asia 2008–2011. CFO of the Volvo Group 2005–2008. Senior Vice President and CFO of Renault Trucks 2004–2005. Member of the Group Executive Team since 2005. With Volvo since 1990. **Holdings in Volvo, own and related parties:** 7,768 shares, including 7,608 Series B shares.

8. Patrick Olney

Executive Vice President
Volvo Construction Equipment

Born 1968. B. Sc. Business Administration. Head of Volvo Construction Equipment since May 1, 2011. Prior to that he has held various senior positions at Volvo Construction Equipment, most recently as Vice President and Head of Operations. Member of the Group Executive Team since 2011. With Volvo since 2001. **Holdings in Volvo, own and related parties:** 6,586 Series B shares.

9. Håkan Karlsson

Executive Vice President Business Areas

Born 1961. M. Sc. Engineering. President and CEO Volvo Buses 2003–2011. President of Volvo Logistics 2000–2003. Member of the Group Executive Team since 2003. With Volvo since 1986. **Holdings in Volvo, own and related parties:** 41,340 shares, including 39,849 Series B shares.

10. Anders Osberg

Executive Vice President
Finance and Business Support and CFO

Born 1961. B. Sc. Has held various positions within Volvo Group Finance and Volvo Treasury, most recently as President of Volvo Treasury Group 2000–2011. Member of the Group Executive Team since 2012. With Volvo 1985–1988 and since 1992. **Board member:** The Swedish Association of Corporate Treasurers. **Holdings in Volvo, own and related parties:** 13,001 Series B shares.

11. Eva Persson

Executive Vice President Corporate Legal
& Compliance and General Counsel

Born 1953. Master of Laws. Responsible within the Group for legal matters and General Counsel of the Volvo Group since 1997. Vice President, Head of Corporate Legal of AB Volvo 1993–1997. Member of the Group Executive Team since 1997. With Volvo since 1988. Secretary to the Volvo Board since 1997. **Board member:** Handelsbanken Region Väst and Norsk Hydro ASA. **Holdings in Volvo, own and related parties:** 60,036 shares, including 58,560 Series B shares.

12. Kerstin Renard

Executive Vice President
Corporate Human Resources

Born 1961. B. Sc. Sociology. Senior Vice President Human Resources for the Volvo Group 2007–2011. Prior to that Senior Vice President Human Resources & Communications at Volvo Powertrain 2005–2006. Member of the Group Executive Team since 2012. With Volvo since 2005. **Holdings in Volvo, own and related parties:** 9,710 shares, including 9,550 Series B shares.

13. Karin Falk

Executive Vice President Corporate Strategy

Born 1965. B. Sc. Business Administration. Has held various positions within the Volvo Group, most recently as President of Volvo Group NAP (Non-Automotive Purchasing) 2008–2011. Member of the Group Executive Team since 2012. With Volvo 1988–1999 and since 2008. **Holdings in Volvo, own and related parties:** 4,002 shares, including 1,762 Series B shares.

14. Per Löjdquist

Executive Vice President
Corporate Communication

Born 1949. Responsible within the Volvo Group for corporate communications since 1997. Member of the Group Executive Team since 1997. With Volvo since 1973. **Holdings in Volvo, own and related parties:** 118,236 shares, including 101,456 Series B shares.

15. Jan-Eric Sundgren

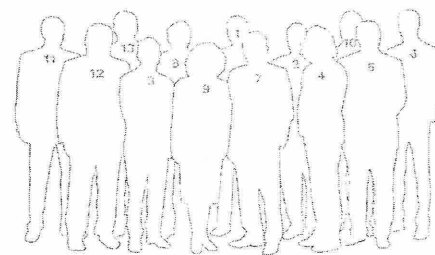
Executive Vice President
Public & Environmental Affairs

Born 1951. M. Sc. Engineering, PhD in solid state Physics. Professor in materials science. Responsible within the Volvo Group for public & environmental affairs since 2006. Member of the Group Executive Team since 2006. With Volvo since 2006. **Chairman:** SP Technical Research Institute of Sweden AB. **Board member:** Hogia AB. Member of the Royal Swedish Academy of Engineering Sciences. **Holdings in Volvo, own and related parties:** 28,939 shares, including 28,879 Series B shares.

16. Magnus Carlander

Executive Vice President Corporate Process & IT

Born 1955. Master Mechanical Engineering. Has held various senior positions in the Volvo Group, most recently as President of Volvo IT 2008–2011. Member of the Group Executive Team since 2012. With Volvo since 1985. **Holdings in Volvo, own and related parties:** 48,116 shares, including 48,056 Series B shares.



BOARD OF DIRECTORS AND AUDITORS



Board members elected by the Annual General meeting

1. Louis Schweitzer

Chairman of the Board
Chairman of the Remuneration Committee

Born 1942. Bachelor of Laws. **Board Chairman:** Astra-Zeneca Plc. **Board member:** BNP-Paribas, L'Oréal and Véolia. Member of the Volvo Board since 2001. Chairman of the Board since January 15, 2010. **Holdings in Volvo, own and related parties:** 40,000 Series B shares.

Principal work experience: Official at French Budget Department; Chief of Staff of Mr Laurent Fabius (Minister of Budget, then Minister for Industry and Research, and Prime Minister), Chairman of the French High Authority against Discrimination and for Equality, HALDE (2005–2010); numerous positions with Renault S.A. (Chief Financial Officer and Executive Vice President Finance and Planning, Chief Operating Officer, Chairman and Chief Executive Officer).

2. Peter Bijur

Member of the Audit Committee

Born 1942. MBA Marketing, BA Political Science. **Board member:** Gulfmark Offshore Inc. Member of the Volvo Board since 2006. **Holdings in Volvo, own and related parties:** 3,000 Series B shares.

Principal work experience: Numerous positions with Texaco Inc, retired as Chairman and Chief Executive Officer in 2001.

3. Jean-Baptiste Duzan

Member of the Audit Committee

Born 1946. Graduate of the Ecole Polytechnique. Senior Advisor Lazard Frères. **Board member:** Nissan Motor Co. Ltd. Member of the Volvo Board since 2009. **Holdings in Volvo, own and related parties:** 1,000 Series B shares.

Principal work experience: Began his career at Citibank. Has held various positions within Renault since 1982 – director of financial services at Renault V.I.; director of financial operations; project director for the car model Safrane; Senior Vice President, Purchasing, and joined the Renault Management Committee. He was also named Chairman and Managing Director, Renault Nissan Purchasing Organization.

4. Hanne de Mora

Born 1960. BA in Economics from HEC in Lausanne, MBA from IESE in Barcelona. **Board Chairman:** a-connect (group) ag. **Board member:** Sandvik AB, IMD Foundation Board. Member of the Volvo Board since 2010. **Holdings in Volvo, own and related parties:** 3,000 Series B shares.

Principal work experience: Credit Analyst Den Norske Creditbank in Luxemburg 1984, various positions within brand management and controlling within Procter & Gamble 1986–1989, Partner McKinsey & Company, Inc. 1989–2002, one of the founders and owners, also Chairman of the Board, of the management company a-connect (group) ag since 2002.

5. Anders Nyrén

Member of the Remuneration Committee

Born 1954. Graduate of the Stockholm School of Economics, MBA at UCLA. President and Chief Executive Officer of AB Industrivärden. **Board Chairman:** Sandvik AB. **Vice Chairman:** Svenska Handelsbanken. **Board member:** AB Industrivärden, Ernströmgruppen AB, SSAB, Svenska Cellulosa Aktiebolaget SCA, Telefonaktiebolaget LM Ericsson, Stockholm School of Economics and SSE Association. Member of the Volvo Board since 2009. **Holdings in Volvo, own and related parties:** 5,200 Series B shares.

Principal work experience: Has worked for AB Wilhelm Becker. He has held various positions within STC –

Controller, Executive Vice President and CFO, and President of STC Venture AB; President and Chief Executive Officer at OM International AB; Executive Vice President and CFO at Securum; Director with executive responsibility for Markets and Corporate Finance at Nordbanken; Executive Vice President and CFO at Skanska.

6. Olof Persson

Born 1964. B. Sc. in Business Administration and Economics. President of AB Volvo and Chief Executive Officer of the Volvo Group since September 1, 2011. Member of the Volvo Board since September 1, 2011. **Holdings in Volvo, own and related parties:** 56,344 Series B Shares.

Principal work experience: Began his career at ABB; has held a number of executive positions at AdTranz and Bombardier; President of Mainline and Metros Division in Bombardier; President of Volvo Aero; President of Volvo Construction Equipment.

7. Ravi Venkatesan

Born 1963. MBA, Harvard Business School, and M.Sc. Industrial Engineering, Purdue University. **Board member:** Infosys Ltd., Advisory Board of Bunge Inc., Non Profit Advisory Board Harvard Business School. Member of the Volvo Board since 2008. **Holdings in Volvo, own and related parties:** 700 Series B shares.

Principal work experience: Several leading positions within the American engine manufacturer Cummins. Chairman of Microsoft India and responsible for Microsoft's marketing, operational and business development efforts in India.

8. Lars Westerberg

Chairman of the Audit Committee

Born 1948. M.Sc. Engineering, Bachelor Business Administration. **Board Chairman:** Husqvarna AB. **Board member:** SSAB, Sandvik AB and Stena AB. Member of the Volvo Board since 2007. **Holdings in Volvo, own and related parties:** 60,000 Series A shares.

Principal work experience: President and CEO of Gränges AB, ESAB AB and Autoliv Inc.

9. Ying Yeh

Member of the Remuneration Committee

Born 1948. BA, Literature & International Relations. **Board member:** ABB Ltd. Member of the Volvo Board since 2006. **Holdings in Volvo, own and related parties:** None.

Principal work experience: Journalist NBC, New York. Numerous positions with the U.S. Government Foreign Service in Burma, Hong Kong, Taiwan and Beijing. Various positions with Eastman Kodak in China, latest as President and Chairman, North Asia Region. Chairman of Nalco Greater China.

Board members and deputies appointed by employee organisations

10. Mikael Sällström

Employee representative, ordinary member. Born 1959. With Volvo 1980–1999 and since 2009. Member of the Volvo Board since 2009. **Holdings in Volvo, own and related parties:** None.

11. Berth Thulin

Employee representative, ordinary member. Born 1951. With Volvo since 1975. Deputy member of the Volvo Board 1999–2009, member since 2009. **Holdings in Volvo, own and related parties:** 1,425 Series B shares.

12. Peteris Lauberts

Employee representative, ordinary member. Born 1948. With Volvo since 1999. Deputy member of the Volvo Board 2010–2011, member since November 30, 2011. **Holdings in Volvo, own and related parties:** 216 Series A shares.

13. Lars Ask

Employee representative, deputy member. Born 1959. With Volvo since 1982. Deputy member of the Volvo Board since 2009. **Holdings in Volvo, own and related parties:** 406 shares, including 250 Series B shares.

Mats Henning

Employee representative, deputy member. Born 1961. With Volvo since 1982. Deputy member of the Volvo Board since November 30, 2011. **Holdings in Volvo, own and related parties:** 250 Series B shares.

Changes in the Board

Board members elected by the Annual General Meeting

Leif Johansson, CEO of the Volvo Group until and including August 31, 2011, resigned from the Board at the same time and was replaced as Board member by Olof Persson from September 1, 2011, who then also assumed the position as CEO.

Board members and deputies appointed by employee organisations

As of November 30, 2011 Martin Linder left the Board and was replaced by Peteris Lauberts, former deputy member of the Board. Mats Henning was appointed new deputy as of the same date.

Secretary to the Board

Eva Persson

Born 1953. Master of Laws. Executive Vice President Corporate Legal & Compliance and General Counsel of the Volvo Group. Secretary to the Volvo Board since 1997. **Holdings in Volvo, own and related parties:** 60,036 shares, including 58,560 Series B shares.

Auditors

PricewaterhouseCoopers AB

Göran Tidström

Authorized Public Accountant.
Lead Auditor.

Auditor since 2006.

Other assignments: Auditor of Meda AB, President of IFAC (International Federation of Accountants).

Born 1946.

Johan Rippe

Authorized Public Accountant.

Auditor since 2010.

Other assignments: Auditor of Gefinge AB and Elanders AB.

Born 1968.

CORPORATE GOVERNANCE REPORT

In March 2011, the Board of Directors resolved to appoint as of September 1, 2011, when Leif Johansson resigned after almost 15 years as CEO, Olof Persson as the new President and CEO of Volvo. During the year the Board of Directors also resolved to introduce new financial targets for the Volvo Group. Based on the uncertainty in the macroeconomic trend, the Board focused during 2011 particularly on continuously adapting the company's activities to the prevailing demand.

Corporate bodies in corporate governance

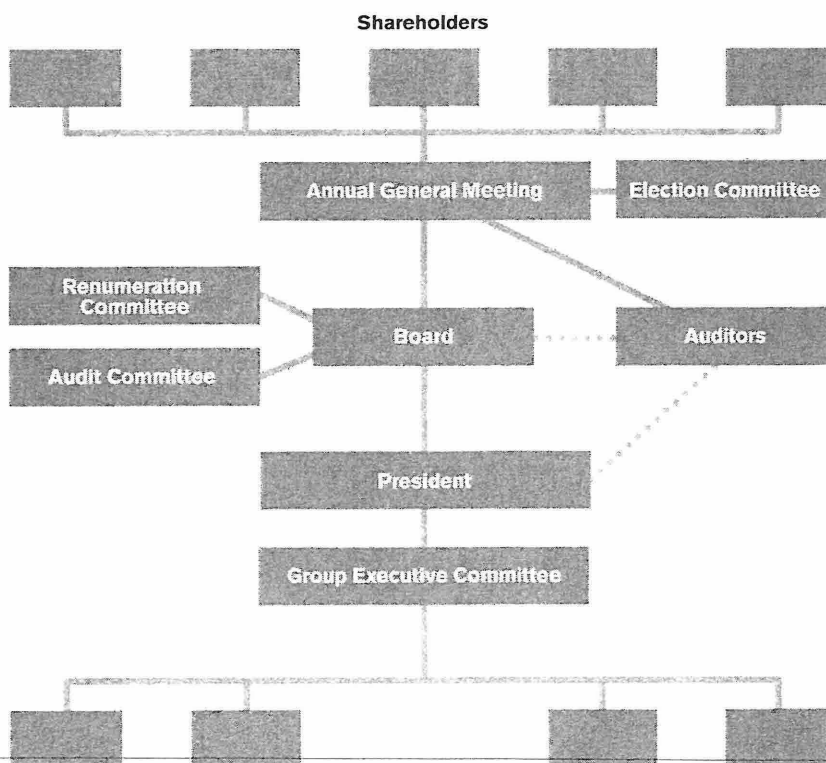
The governance and control of the Volvo Group is carried out through a number of corporate bodies. At the Annual General Meeting, the shareholders exercise their voting rights with regard, for example, to the composition of the Board of Directors of AB Volvo and election of external auditors and as otherwise stipulated in the Companies Act. Information concerning the largest shareholders in AB Volvo as of December 31, 2011, including information on shareholders, whose shareholdings in the company represent at least one tenth of the votes for all shares in the company, is provided in the Board of Director's report for Volvo on page 53.

The notice for Annual General Meetings (and for Extraordinary General Meetings if any) is made through advertisement in the Post- and Inrikes Tidningar (Swedish Official Gazette) and on the company's website. Announcement that the notice has been published is advertised in *Dagens Nyheter* and *Göteborgs-Posten*.

An Election Committee, appointed by the Annual General Meeting of AB Volvo, proposes Board members, Board Chairman and external auditors. The Board is responsible for the Group's long-term development and strategy, for regularly controlling and evaluating the company's operations and for the other duties set forth in the Companies Act. In addition, the Board appoints the President of AB Volvo, who is also the Chief Executive Officer (CEO). The duties of the Board are partly exercised through its Audit Committee and its Remuneration Committee. The CEO is in charge of the daily management of the Group in accordance with guidelines and instructions provided by the Board.

On January 1, 2012, the Volvo Group introduced a new organization, which was presented

The Volvo Group Corporate Governance Model



on October 4, 2011, and which among other things aims at the coordination of products and brands in the Group's Trucks operations. In the new organization, the CEO leads the operations of the Group partly through the Group Executive Team, as previously, but also through the newly established Group Trucks Executive Management Team. In addition, the CEO conducts regular follow-ups with the heads of other business areas, Group functions and corporate functions.

The Group Executive Team comprises those who report directly to the CEO. The Group Executive Team has 16 members including the CEO. The Group Executive Team meetings, which are headed by the CEO, address Group-wide issues and issues affecting individual business areas, Group functions or corporate functions. The Group Trucks Executive Management Team comprises, in addition to the CEO, mostly members of the Group Executive Team. Members of the Group Executive Team

further have positions in management teams and decision-making bodies for other business areas and Group functions. These bodies will effect control and follow-ups of financial development, strategies and targets as well as make decisions regarding, for example, investments.

Swedish Code of Corporate Governance

Volvo applies the Swedish Code of Corporate Governance (the Code), which is available at www.bolagsstyrning.se.

Between January 1, 2011 and December 31, 2011, Volvo did not deviate from any of the regulations set forth in the Code.

This Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Code.

Election Committee

The Election Committee is the shareholders' body responsible for submitting to the Annual General Meeting the names of candidates to serve as Chairman at the Meeting and Chairman and other members of the Board, as well as proposing fees and other compensations to be paid to the Board members. In the years in which Volvo elects auditors, the Election Committee presents proposals for the election of auditors and proposals for fees to be paid to the auditors based on the preparations carried out by Volvo's Audit Committee. In addition, the Election Committee, in accordance with prevailing instructions for Volvo's Election Committee, presents proposals for members of the Election Committee for the following year.

In accordance with the aforementioned instructions, the Election Committee shall meet as often as required for the Committee to be able to fulfill its duties.

The Election Committee's proposal shall be presented to Volvo in sufficient time to be included in the notice to attend the Annual General Meeting and to be published on Volvo's website at the same time. In conjunction with the notice to attend the Annual General Meeting being published, the Election Committee shall, among other duties, comment on whether those persons who are proposed to be elected as Board members are to be considered as independent in relation to the company and company management as well as to major shareholders

in the company and further to comment on their material assignments and holding of shares in Volvo. Moreover, the Committee shall report on how it conducted its work.

In accordance with existing instructions, the Annual General Meeting shall select five members to serve on the Election Committee, of whom four shall represent the largest shareholders in the company, in terms of the number of votes, who have expressed their willingness to participate. In addition, one of the members shall be the Chairman of the AB Volvo Board. Additionally, the Election Committee can offer other larger shareholders to appoint one representative as a member of the Election Committee. If such an offer is made, it should be directed in turn to the largest shareholder in terms of voting rights not already being represented on the Election Committee. The number of members on the Election Committee, however, may not exceed seven.

In accordance with its instructions, Volvo's 2011 Annual General Meeting resolved to appoint the following individuals as members of the Election Committee: Volvo's Chairman Louis Schweitzer, Jean-Baptiste Duzan, representing Renault s.a.s., Carl-Olof By, representing AB Industrivärden, Håkan Sandberg, representing Svenska Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa, and Oktogonen, and Lars Förberg, representing Violet Partners LP. The Election Committee appointed Carl-Olof By as Chairman.

The Board

During the period January 1, 2011 – December 31, 2011, AB Volvo's Board of Directors consisted of nine members elected by the Annual General Meeting. In addition, the Board had three members and two deputy members appointed by employee organizations.

Leif Johansson, who was Volvo's CEO until September 1, 2011, was also a Board member until September 1, 2011, when he was replaced on the Board by Olof Persson who also assumed the position of CEO.

During 2011, six regular meetings, one statutory meeting and five extraordinary meetings were held.

The Board has adopted work procedures for its activities that contain rules pertaining to the distribution of work between the Board members,

The Board's composition and attendance at meetings January 1, 2011 to December 31, 2011

| | Board | Audit Committee | Remuneration Committee |
|---|-----------|-----------------|------------------------|
| Peter Bijur | 12 | 8 | |
| Jean-Baptiste Duzan | 12 | 8 | |
| Leif Johansson ¹ | 7 | | |
| Olof Persson ² | 4 | | |
| Hane de Mora | 12 | | |
| Anders Nyrén | 12 | | 4 |
| Louis Schweitzer | 12 | | 4 |
| Ravi Venkatesan | 12 | | |
| Lars Westerberg | 12 | 8 | |
| Ying Yeh | 11 | | 3 |
| Martin Linder ³ , employee representative | 10 | | |
| Mikael Sällström, employee representative | 11 | | |
| Berth Thulin, employee representative | 12 | | |
| Peteris Lauberts ⁴ , employee representative | 1 | | |
| Total number of meetings | 12 | 8 | 4 |

1 Left the Board on August 31, 2011.

2 Was elected member of the Board as of September 1, 2011.

3 Left the Board on November 30, 2011.

4 Joined the Board as member as of November 30, 2011, previously deputy.

the number of Board meetings, matters to be handled at regular meetings of the Board and duties incumbent on the Chairman. In accordance with these procedures, the Board's Chairman shall organize and guide the Board's work, be responsible for contacts with the owners regarding ownership matters and provide the owners' viewpoints to the Board, ensure that the Board receives adequate information and decision documents for its work and ensure compliance with the Board's decisions. In addition, the work procedures contain directives concerning the tasks of the Audit Committee and the Remuneration Committee respectively. The Board has also issued written instructions specifying how financial information should be reported to the Board, as well as defining the distribution of duties between the Board and the President.

The Annual General Meeting resolves on the fees to be paid to the Board members elected by the shareholders. The Annual General Meeting held on April 6, 2011, approved fee payments to the Board, for the time until the end of the next Annual General Meeting, as follows: Chairman of the Board should receive a fee of SEK 1,800,000 and each of the remaining members should receive a fee of SEK 600,000, with the exception of the President. In addition, the Chairman of the Audit Committee should receive SEK 300,000, the other members of the Audit Committee SEK 150,000 each and the members of the Remuneration Committee SEK 100,000 each.

In March 2011, the Board announced that it had resolved to appoint Olof Persson as the new President and CEO for Volvo as of September 1, 2011, to replace Leif Johansson when he would be stepping down. Olof Persson was previously the President of Volvo Construction Equipment since 2008. Prior to that, he was the President of Volvo Aero. The Board also resolved in September 2011 to introduce new financial targets for the Volvo Group to apply as of 2012, with the aim of annually measuring growth and profitability among the Group's various operations and making comparisons with a number of selected competitors. As a result of the uncertainty about the macroeconomic trend, the Board specifically focused on monitoring the business environment in order to continuously adapt the company's activities to the prevailing demand. The Board also focused on the trend for the Group's operations and visited several of the Group's facilities in the US in 2011, meeting management and customers.

The Board also reviewed the financial positions of AB Volvo and the Volvo Group on a regular basis and acted in order to ensure that there are efficient systems with regard to follow-up and control of the business and financial position of the Volvo Group. In connection therewith, the Audit Committee was responsible for preparing the Board's work to assure the quality of the Group's financial reporting by reviewing the interim reports, the Annual Report and consolidated accounting. In connection therewith, the Board met with the company's auditors during 2011. The Board continuously evaluates the performance of the CEO.

During 2011, following preparation in the Remuneration Committee, the Board evaluated Volvo's systems for variable remuneration to senior executives, where the performance targets were based on operating income and operating rolling cash flow for executives in the industrial operation. For executives in the customer-financing operation, the performance targets were related to operating income and return on equity. The Board has concluded that the outcome for 2011 has been satisfactory and consequently found that the existing system was well-functioning. Irrespective of this, the Board came to the conclusion that in future, the operating margin would be a better measure of the performance of the industrial operation than operating income. In view of the new financial targets for the Group presented by the Board in September 2011, the Board also believes that the new financial target pertaining to competitive comparison of operating margins should be reflected in the performance targets for variable remuneration for 2012, pertaining to executives in the industrial operation. According to the Board, the operating cash flow is still relevant as a measure of the performance of the industrial operation. The Board has also found that for the customer financing operation performance targets based on return on equity and operating income are still relevant.

Based on the above mentioned evaluation of the variable-remuneration systems, the Board resolved to introduce partly amended performance targets for variable remuneration to senior executives to apply for 2012 pertaining to most of the industrial operation. The new performance targets are based on the following parameters: (i) six months' operating rolling cash flow, (ii) operating margin compared to last year and (iii) profitability measured on operating margin compared with competitors. For the customer financing operation, the Board resolved that the performance targets for variable remuneration will continue to focus on return on equity and operating income.

The Board's work is mainly performed within the framework of formal Board meetings and through meetings in the respective committees of the Board. In addition, the Chairman of the Board maintains regular contact with the CEO in order to discuss on-going business and to

ensure that the decisions taken by the Board are executed. An account of each Board member's age, principal education, professional experience, assignments in the Company, other important board memberships, their own and related parties' ownership of shares in Volvo as of February 23, 2012, and the year they were elected on the Volvo Board, is presented in the section Board of Directors and auditors on page 153.

During 2011, the Board performed its yearly evaluation of the Board's work. The Chairman has informed the Election Committee on the result of the evaluation.

Independence requirements

The Board of Directors of AB Volvo must meet independence requirements pursuant to the Code. The Audit Committee must also meet independence requirements pursuant to the Code and the Swedish Companies Act. Below is a short description of the independence requirements. The independence requirements mainly state that only one person from the company's management may be a member of the Board, that a majority of the Board members elected by the General Meeting shall be independent of the company and the company management and that at least two of the Board members elected by the General Meeting who are independent of the company and the company's management shall also be independent of the company's major shareholders. In addition, the Code stipulates that a majority of the members in the Audit Committee shall be independent of the company and the company management, and that at least one of the members who is independent of the company and the company management shall also be independent of the company's major shareholders.

According to the Swedish Companies Act, the members of the Audit Committee may not be employees of the company and at least one member of the Audit Committee shall be independent of the company, company management and the company's largest shareholders and have accounting or auditing expertise. With regard to the Remuneration Committee, the Code sets the requirement that members of the Remuneration Committee, with the exception of the Board Chairman if a member of the Remuneration Committee, shall be independent of the company and company management.

Prior to the Annual General Meeting 2011, considering the above requirements regarding the Board's independence, the Election Committee reported the following understanding concerning the Board members who were elected at the Annual General Meeting in 2011:

Peter Bijur, Hanne De Mora, Louis Schweitzer, Ravi Venkatesan, Lars Westerberg and Ying Yeh were all considered independent of the company and company management as well as of the company's major shareholders.

Leif Johansson, as Volvo's CEO, was considered independent of the company's major shareholders but not of the company and company management. Olof Persson, who at the 2011 Annual General Meeting, was the President of Volvo Construction Equipment and who was elected a member of the Board as from September 1, 2011, when he also was to assume the position as Volvo's CEO, was deemed independent of the company's major shareholders but was not deemed independent in relation to the company and the company management, due to his position in the Volvo Group.

Jean-Baptiste Duzan was considered independent in relation to the company and company management. However, in his capacity as an advisor to the CEO of Renault S.A., he was deemed to have such a relation to Renault s.a.s. that he could not be considered independent thereof. Since Renault s.a.s., prior to the 2011 Annual General Meeting, controlled more than 10 percent of the votes in the company, Jean-Baptiste Duzan was not considered independent in relation to one of the company's major shareholders.

Anders Nyrén was deemed independent in relation to the company and company management. However, due to his capacity as CEO of AB Industrivärden, he was not deemed independent thereof. Since AB Industrivärden, prior to the 2011 Annual General Meeting, controlled more than 10 percent of the votes in the company, Anders Nyrén was not considered independent in relation to one of the company's major shareholders.

The Election Committee must also meet independence requirements pursuant to the Code. According to the Code, most of the members of the Election Committee are to be independent of the company and the company management. At least one member of the Election Committee is to

be independent of the company's largest shareholder in terms of votes or any group of shareholders that act in concert in the governance of the company. Neither the CEO nor other members of the executive management are to be members of the Election Committee. If Board members are included in the Election Committee, they may not constitute a majority of the Election Committee's members. The Chairman of the Board of the company or, any other Board member may not be the Chairman of the Election Committee. If more than one Board member is included in the Election Committee, not more than one of them may be dependent in relation to the company's largest shareholders. All members of the Election Committee have been considered to be independent of the company and the company management. All members of the Election Committee except Jean-Baptiste Duzan have, prior to being appointed, been considered to be independent of Volvo's largest shareholder in terms of votes. This conclusion is based on the facts that Renault s.a.s. is Volvo's largest shareholder in terms of votes and that Jean-Baptiste Duzan represents Renault s.a.s. in the Election Committee.

Audit Committee

In December 2002, the Board established an Audit Committee primarily for the purpose of overseeing the accounting and financial reporting processes and the audit of the financial statements.

The Audit Committee is responsible for preparing the Board's work to assure the quality of the Group's financial reporting by reviewing the interim reports, the Annual Report and consolidated accounting. In addition, the Audit Committee's task is to establish guidelines specifying what other services, beyond auditing, the company may procure from the company's auditors and to provide guidelines for transactions with companies and persons closely associated with Volvo. The Audit Committee also has the task of reviewing and overseeing the impartiality and independence of the company's auditor. The Audit Committee is also responsible for evaluating the internal and external auditors' work, providing the Election Committee with the results of the evaluation of the external auditors and to assist in preparing proposals for the election of auditors. Finally, the Audit Committee shall evaluate the quality, relevance and efficiency

of the Group's system for internal control over financial reporting, and with respect to the internal audit and risk management.

At the statutory Board meeting following the 2011 Annual General Meeting, Lars Westerberg, Peter Bijur and Jean-Baptiste Duzan were appointed members of the Audit Committee. Lars Westerberg was appointed Chairman of the Audit Committee.

The Audit Committee met with the external auditors and Head of Internal Audit at the meetings of the Audit Committee. The Audit Committee has also met separately with the external auditors and the Head of Internal Audit without the presence of the company management. The Audit Committee and the external auditors have, among other tasks, discussed the external audit plan and risk management. The Audit Committee held eight meetings during 2011.

Remuneration Committee

In April 2003, the Board established a Remuneration Committee for the purpose of preparing and deciding on issues relating to remuneration to senior executives in the Group. The duties of the Committee include presenting recommendations for resolution by the Board regarding the terms and conditions of employment and remuneration for the President of AB Volvo, principles for remuneration, including pensions and severance payments, for other members of the Group Executive Team, and principles for variable salary systems, share-based incentive programs, pensions and severance payment for other senior executives in the Group. In addition, the Remuneration Committee shall approve proposals on remuneration of the other members of the Group Executive Team in accordance with the principles established by the Board.

The Remuneration Committee shall monitor and evaluate ongoing programs and programs concluded during the year covering variable remuneration for the Group Executive Team, application of the guidelines for remuneration to senior executives on which the Annual General Meeting shall resolve and the current remuneration structures and levels in the Group. The Board shall, not later than two weeks prior to the Annual General Meeting, submit a report on the results of the Remuneration Committee's evaluation on the company's website.

If the Remuneration Committee commissions external suppliers for its work, it must ensure that there are no conflicts of interest in relation to other assignments this supplier may have for the Group or the Group Executive Team.

At the statutory meeting of the Board following the 2011 Annual General Meeting, Louis Schweitzer, Anders Nyrén and Ying Yeh were appointed members of the Remuneration Committee. Louis Schweitzer was named Chairman of the Remuneration Committee. The Remuneration Committee held four meetings during 2011.

Group Executive Team

An account of their respective age, principal education, Board memberships, their own and related parties' ownership of shares in Volvo as of February 23, 2012, and year of joining Volvo for the CEO and each member of the Group Executive Team is presented in the Group Management section on page 151.

External auditing

Volvo's auditors are elected by the Annual General Meeting. The current auditor is PricewaterhouseCoopers AB (PwC), which was elected at the 2010 Annual General Meeting for a period of four years. Göran Tidström and Johan Rippe from PwC, are responsible for the audit of Volvo. Göran Tidström is the Auditor in Charge. Göran Tidström has announced that he will resign as Auditor in Charge at the Annual General Meeting 2012. He will be replaced by Peter Clemedtsen, partner of PwC.

The external auditors discuss the external audit plan and risk management with the Audit Committee. The auditors review the interim report for the period January 1 to June 30 and the Annual Report and the consolidated accounting. The auditors also express an opinion whether this Corporate Governance Report was prepared or not and in such respect whether certain information therein coincides with the Annual Report and consolidated accounting. The auditors' report their findings with regard to the annual report, consolidated accounting and the Corporate Governance Report through the audit reports and a separate opinion regarding the Corporate Governance Report, which they present to the Annual General Meeting. In addition, the auditors' report detailed findings from

their reviews to the Audit Committee twice a year and once a year to the full Board of Directors.

When PwC is retained to provide services other than the audit, it is done in accordance with rules decided by the Audit Committee pertaining to pre-approval of the nature of the services and the fees.

Disclosure Committee

A Disclosure Committee was established in 2004. The Committee contributes to ensuring that Volvo fulfills its obligations according to applicable legislation as well as to listing rules to timely disclose to the financial market all share price sensitive information.

The Committee comprises the heads of the departments Corporate Finance, Internal Audit, Investor Relations, Corporate Legal, Business Control and Financial Reporting. Chairman of the Disclosure Committee is the Executive Vice President responsible for Corporate Communication.

Outstanding share and share-price related incentive programs

An account of outstanding share and share-price related incentive programs is provided in Note 27 Personnel in the Group's notes.

Report on the key aspects of the company's and Group's system for internal controls and risk management in conjunction with financial reporting

The Board is responsible for the internal controls according to the Swedish Companies Act and the Code. The purpose of this report is to provide shareholders and other interested parties an understanding of how internal control is organized at Volvo with regard to financial reporting. The report has been prepared in accordance with the Annual Accounts Act. Consequently the report is limited to internal control over financial reporting.

Introduction

Volvo primarily applies internal control principles introduced by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The COSO principles consist of five interrelated components. The components are: control environment, risk assessment, control

activities, information and communication and follow-up.

Volvo has a specific function for internal control. The objective of the Internal Control function is to provide support for management groups within business areas and Group functions, that allows them to continuously provide solid and improved internal controls relating to financial reporting. Work that is conducted through this function is based primarily on a methodology, which aim is to ensure compliance with directives and policies, as well as to create good conditions for specific control activities in key processes related to financial reporting. The Audit Committee is informed of the result of the work performed by the Internal Control function within Volvo with regard to risks, control activities and follow-up on the financial reporting.

Volvo also has an Internal Audit function with the primary task of independently monitoring that companies in the Group follow the principles and rules that are stated in the Group's directives, policies and instructions for financial reporting. The head of the Internal Audit function reports directly to the CEO, and in the new organization to the Group's General Counsel and the Board's Audit Committee.

Control environment

Fundamental to Volvo's control environment is the business culture that is established within the Group and in which managers and employees operate. Volvo works actively on communications and training regarding the company's basic values as described in The Volvo Way, an internal document concerning Volvo's business culture, and the Group's Code of Conduct, to ensure that good morals, ethics and integrity permeate the organization.

The foundation of the internal control process relating to the financial reporting is built up around the Group's directives, policies and instructions, as well as the responsibility and authority structure that has been adapted to the Group's organization to create and maintain a satisfactory control environment. The principles for internal controls and directives and policies for the financial reporting are contained in Volvo Financial Policies & Procedures (FPP), an internal document comprising all important instructions, rules and principles.

Risk assessment

Risks relating to financial reporting are evaluated and monitored by the Board through the Audit Committee inter alia through identifying what types of risks that typically could be considered as material and where they would typically occur. The annual evaluation of internal control activities conducted by the Internal Control and Internal Audit functions, are based on a risk-based model. The evaluation of the risk that errors will appear in the financial reporting is based on a number of criteria. Complex accounting principles can, for example, mean that the financial reporting risks being inaccurate for those posts that are covered by such principles. Valuation of a particular asset or liability according to various evaluation criteria can also constitute a risk. The same is true for complex and/or changing business circumstances.

Control activities

In addition to the Board of AB Volvo and its Audit Committee, the management groups and other decision-making bodies in the business areas, Group functions and Group companies constitute the overall supervisory body.

Several control activities are applied in the ongoing business processes to ensure that potential errors or deviations in the financial reporting are prevented, discovered and corrected. Control activities range from review of outcome results in management group meetings to specific reconciliation of accounts and analysis of the ongoing processes for financial reporting. Responsibility for ensuring that control activities in the financial processes are appropriate and in accordance with the Group's policies and instructions are compiled in the Group's shared service center. Within the framework for the financial reporting, they are also responsible for ensuring that authority structures are designed so that one person cannot perform an activity and then perform the control of the same activity. Control activities within IT security and maintenance are a key part of Volvo's internal control over financial reporting.

Information and communication

Policies and instructions relating to the financial reporting are updated and communicated on a regular basis from management to all affected employees. In addition, there are a number of

committees and networks within Volvo that serve as forums for information and discussions regarding issues relating to the financial reporting and application of internal rules. Included in these committees and networks are representatives from the business areas and the Group's staff units who are responsible for financial reporting. Work in these committees and networks is aimed, among other things, at ensuring a uniform application of the Group's policies, principles and instructions for the financial reporting and at identifying and communicating shortcomings and areas of improvement in the processes for financial reporting.

Follow-up

Ongoing responsibility for follow-up rests with the business areas' management groups and accounting and controller functions. In addition, the Internal Audit and the Internal Control functions conduct review and follow-up activities in accordance with what is described in the introduction of this report. More specifically, the Internal Control function runs and coordinates evaluation activities through the "Volvo Group Internal Control program", which gives a systematic way of evaluating the quality and effectiveness of the internal control over financial reporting on a yearly basis. A yearly evaluation plan is settled and presented to the Audit Committee. This evaluation program comprises three main areas:

1. Control policies and guidelines: Self-assessment procedure carried out by management teams at business area and Group function levels as well as local company level. Main areas evaluated are the adherence to the Group's financial directives and policies found in FPP along with The Volvo Way and the Group's Code of Conduct.

2. Process controls at transaction levels: Processes related to the financial reporting are evaluated by testing of specific routines and controls based upon the Group's framework for internal control over financial reporting, VICS – "Volvo Internal Control Standards". The framework focus on the financial reporting areas deemed to have a relatively higher risk for potential errors because e.g. complex accounting principles, complex or changed business operations etc.

3. General IT controls: Processes for maintenance, development and access management of financial applications are evaluated by testing of routines and controls.

The results of the evaluation activities are reported to the Group management and the Audit Committee.

Göteborg, February 23, 2012

AB Volvo (publ)

Board of Directors

Auditor's report on the Corporate Governance Report

To the annual meeting of the shareholders in AB Volvo, corporate identity number 556012-5790

It is the Board of Directors who is responsible for the Corporate Governance Report for the year 2011 on pages 150–159 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts

Göteborg, February 23, 2012

PricewaterhouseCoopers AB

Göran Tidström
Authorized Public
Accountant
Lead Auditor

Johan Rippe
Authorized Public
Accountant

Definitions

Basic earnings per share

Income for the period attributable to shareholders of the Parent Company divided by the weighted average number of shares outstanding during the period.

Capital expenditures

Capital expenditures include investments in property, plant and equipment, intangible assets and assets under operating leases. Investments in fixed assets included in the Group's cash-flow statement include only capital expenditures that have reduced the Group's liquid funds during the year.

Cash-flow

Combined changes in the Group's liquid funds during the fiscal year. Changes in liquid funds are specified with reference to changes in operations, operating activities, changes depending on investments in equipment, fixed assets etc. and financing activities such as changes in loans and investments.

Diluted earnings per share

Diluted earnings per share is calculated as income for the period attributable to the Parent Company's shareholders divided by the average number of shares outstanding plus the average number of shares that would be issued as an effect of ongoing share-based incentive programs and employee stock option programs.

EBITDA

EBITDA is the operating income before depreciation and amortization of tangible and intangible assets. This key figure is calculated by adding back depreciation and amortization on the operating income of the Industrial operations.

Equity ratio

Shareholders' equity divided by total assets.

Interest coverage

Operating income plus interest income and similar credits divided by interest expense and similar charges.

Joint ventures

Companies over which the Company has joint control together with one or more external parties.

Net financial position

Cash and cash equivalents, marketable securities and interest-bearing short- and long-term receivables reduced by short- and long-term interest-bearing liabilities and provisions for post-employment benefits.

Operating margin

Operating income divided by net sales.

Penetration rate

Share of unit sales financed by Volvo Financial Services in relation to total number units sold by the Volvo Group in markets where financial services are offered.

Return on shareholders' equity

Income for the period divided by average shareholders' equity.

Self-financing ratio

Cash-flow from operating activities (see Cash-flow statement) divided by net investments in fixed assets and leasing assets as defined in the cash-flow statement.

Annual General Meeting, April 4, 2012

The Annual General Meeting of AB Volvo will be held in Göteborg in Lisebergshallen (entrance from Örgrytevägen) Wednesday, April 4, 2012, at 3:00 p.m. Doors to meeting hall open at 1.30 p.m.

Notice

Those who wish to participate must be recorded as shareholders in the share register maintained by Euroclear Sweden AB on March 29, 2012 and give notice of intention to attend, not later than March 29, 2012, preferably before 12:00:

- by telephone, +46 8 402 90 76, beginning February 29, 2012
- by mail addressed to AB Volvo (publ), "AGM", P.O. Box 7481, SE-103 98 Stockholm, Sweden
- on AB Volvo's website www.volvogroup.com

When giving notice, shareholders should state their:

- name
- personal registration number (corporate registration number)
- address and telephone number
- name and personal number (registration number) of the proxy, if any
- name(s) of any accompanying assistant(s)

Shareholders who have trustee-registered shares should, in good time prior to March 29, 2012, request owner-registration, which could be temporary, at the bank or broker holding the shares.

Volvo's Election Committee

The following persons are members of Volvo's Election Committee:

| | |
|---------------------|--|
| Carl-Olof By | Chairman of the Election Committee, AB Industrivärden |
| Jean-Baptiste Duzan | Renault s.a.s. |
| Lars Förberg | Violet Partner LP |
| Håkan Sandberg | Handelsbanken SHB Pension Fund, SHB Pensionskassa, SHB Employee Fund and Oktogonen |
| Louis Schweitzer | Chairman of the AB Volvo Board |

Among other duties, the Election Committee is responsible for submitting to the Annual General Meeting proposals for candidates to serve as members of the Board of Directors and Chairman of the Board and proposal for auditors if applicable. The Committee also proposes the amount of the fees to be paid to the holders of these positions.

Preliminary publication dates

| | |
|--|------------------|
| Report for the first three months 2012 | April 26, 2012 |
| Report for the first six months 2012 | July 24, 2012 |
| Report for the first nine months 2012 | October 24, 2012 |
| Report on 2012 operations | February, 2013 |
| Annual Report 2012 | March, 2013 |

The reports are available on www.volvogroup.com on date of publication and are also sent electronically to shareholders who have advised Volvo that they wish to receive financial information.

Historical and current time series reflecting the Volvo Group's market information and share data are published regularly on www.volvogroup.com.

Contacts

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|---------------------|-----------------|
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Investor Relations, VHK
SE-405 08 Göteborg
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E-mail: investorrelations@volvo.com
www.volvogroup.com

DISCOVER THE WORLD OF THE VOLVO GROUP



VOLVO

AB Volvo (publ)

SE-405 08 Göteborg, Sweden
Telephone +46 31 66 00 00
www.volvo.com

PATENT APPLICATION

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of

Docket No: Q141208

Chiaki DONO, et al.

Appl. No.: 13/617,447

Group Art Unit: 2824

Confirmation No.: 7374

Examiner: LUU, PHO M

Filed: September 14, 2012

For: SEMICONDUCTOR DEVICE HAVING OUTPUT BUFFER CIRCUIT IN WHICH
IMPEDANCE THEREOF CAN BE CONTROLLED

DRAFT AMENDMENT UNDER 37 C.F.R. § 1.111

MAIL STOP AMENDMENT

Commissioner for Patents

P.O. Box 1450

Alexandria, VA 22313-1450

Sir:

In response to the Office Action dated July 31, 2014, please amend the above-identified

application as follows on the accompanying pages.

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AMENDMENTS TO THE SPECIFICATION

Please delete the present Abstract of the Disclosure.

Please add the following new Abstract

ABSTRACT

A device that includes first and second buffer circuits electrically connected to a terminal and an output control circuit activating the first buffer circuit and deactivating the second buffer circuit in a first state and activating one of the first and second buffer circuits and deactivating the other of the first and second buffer circuits based on input data in a second state. The output control circuit is brought into one of the first and second states.

AMENDMENTS TO THE CLAIMS

This listing of claims will replace all prior versions and listings of claims in the

application:

LISTING OF CLAIMS:

1. (Original): A semiconductor device comprising:

a data terminal;

a first power supply line supplying a first potential;

a second power supply line supplying a second potential different from the first potential;

a first buffer circuit coupled between a first power supply line and the data terminal;

a second buffer circuit coupled between a second power supply line and the data

terminal;

a first control circuit activating the first buffer circuit and deactivating the second buffer

circuit during a period before a start timing when an output operation of a data signal from the

data terminal is started, and activating one of the first and second buffer circuits and deactivating

the other of the first and second buffer circuits based on a logic level of the data signal to be

outputted from the data terminal during a period after the start timing;

a second control circuit controlling an impedance of the first buffer circuit to a first value

in a first control state, and controlling an impedance of the activated one of the first and second

buffer circuits to a second value in a second control state; and

a third control circuit bringing the second control circuit into the first control state before

preparation timing prior to the start timing, and bringing the second control circuit into the

second control state after the start timing, the third control circuit changing the second control

circuit from the first control state to the second control state during a period from the preparation timing to the start timing.

2. (Original): The semiconductor device as claimed in claim 1, further comprising:
a strobe terminal; and
a strobe circuit outputting a strobe signal from the strobe terminal in synchronism with the data signal,

wherein the strobe circuit starts clocking of the strobe signal from the preparation timing.

3. (Original): The semiconductor device as claimed in claim 1, wherein the second control circuit allows the first buffer circuit to function as a termination resistor in the first control state.

4. (Original): The semiconductor device as claimed in claim 1, wherein the second control circuit allows the first buffer circuit to be in a high impedance state in the first control state.

5. (Original): The semiconductor device as claimed in claim 1, wherein the first control circuit selects either one of the first and second buffer circuits using a first control signal that is a binary form.

6. (Original): The semiconductor device as claimed in claim 5, wherein the first control signal is one-bit data using a pair of complementary signals.

7. (Original): The semiconductor device as claimed in claim 5, wherein each of the first and second buffer circuits includes a plurality of unit buffer circuits connected in parallel, and the second control circuit controls the impedance of the first and second buffer circuits by supplying a second control signal that selects a number of the unit buffer circuits to be activated to the first and second buffer circuits.

8. (Original): The semiconductor device as claimed in claim 7, further comprising a fourth control circuit synthesizing the first control signal and the second control signal, wherein the first and second buffer circuits are activated or deactivated based on an output signal of the fourth control circuit.

9. (Original): The semiconductor device as claimed in claim 1, further comprising a mode register in which the first and second values are set.

10. (Original): A method of controlling a semiconductor device, the method comprising:
activating or deactivating a first buffer circuit and deactivating a second buffer circuit during a first control period, the first and second buffer circuits being electrically connected in series between first and second power supply lines;
activating one of the first and second buffer circuits and deactivating the other of the first and second buffer circuits during a second control period based on a logic level of a data signal to be outputted from a data terminal connected between the first and second buffer circuits;

setting impedance of the first buffer circuit to a first value during the first control period;
setting impedance of the activated one of the first and second buffer circuits to a second
value during the second control period; and
changing the impedance of the first buffer circuit from the first value to the second value
during a third control period that is defined as a period from an end of the first control period to a
start of the second control period.

11. (Original): The method of controlling the semiconductor device as claimed in
claim 10, wherein, when a termination signal is activated, the first buffer circuit is activated and
the second buffer circuit is deactivated during the first control period.

12. (Original): The method of controlling the semiconductor device as claimed in
claim 10, wherein, when a disable signal is activated, the first and second buffer circuits are
deactivated during the first control period.

13. (Currently Amended): A semiconductor device comprising:
a first buffer circuit electrically connected to a terminal;
a second buffer circuit electrically connected to the terminal;
an output control circuit activating the first buffer circuit and deactivating the second
buffer circuit in a first state, and activating one of the first and second buffer circuits and
deactivating the other of the first and second buffer circuits based on input data in a second state;
and

a first control circuit bringing the output control circuit into one of at least the first and second states,

wherein the input data comprises first and second input data complementary to each

other, and

wherein the semiconductor device comprises a regenerative circuit supplying the first

input data and an inverted signal of the second input data to the first buffer circuit, and supplying

the second input data and an inverted signal of the first input data to the second buffer circuit.

14. (Original): The semiconductor device as claimed in claim 13, further comprising a serializor outputting the input data in a serial form by converting a parallel form into the serial form.

15. (Original): The semiconductor device as claimed in claim 14, further comprising a timing control circuit controlling an operation of the first control circuit and the serializer.

16. (Original): The semiconductor device as claimed in claim 15, further comprising a DLL circuit supplying a timing signal to the timing control circuit.

17. (Canceled).

18. (Original): The semiconductor device as claimed in claim 14, further comprising a level shifter that changes an amplitude of the input data outputted from the serializer in a complementary form.

19. (Currently Amended): The semiconductor device as claimed in claim ~~17~~¹³, further comprising a pair of signal paths to transmit the first and second input data to the regenerative circuit

REMARKS

Status of the Application

Claims 1-16 and 18-19 are all the claims pending in the application. Applicant gratefully acknowledges that claims 1-12 are allowed and that claims 16-19 are allowable. In order to expedite prosecution, Applicant has amended claim 13 to accept the allowable subject matter of claim 17. Accordingly Applicant respectfully submits that the entire application is in condition for allowance.

Applicant also submits herewith a new abstract that addresses the points raised by the Examiner.

Claim Rejections 35 U.S.C. § 102

Claims 13-15 are rejected under pre-AIA 35 U.S.C. § 102(e) as being anticipated by Ker et al (US 7,868,659). Applicant has amended claim 13 in order to accept the allowable subject matter of claim 17. Accordingly, Applicant respectfully requests the Examiner to reconsider and withdraw these rejections.

Conclusion

In view of the above, reconsideration and allowance of this application are now believed to be in order, and such actions are hereby solicited. If any points remain in issue which the Examiner feels may be best resolved through a personal or telephone interview, the Examiner is kindly requested to contact the undersigned at the telephone number listed below.

DRAFT AMENDMENT UNDER 37 C.F.R. § 1.111
Appln. No.: 13/617,447
Attorney Docket No.: Q141208

The USPTO is directed and authorized to charge all required fees, except for the Issue Fee and the Publication Fee, to Deposit Account No. 19-4880. Please also credit any overpayments to said Deposit Account.

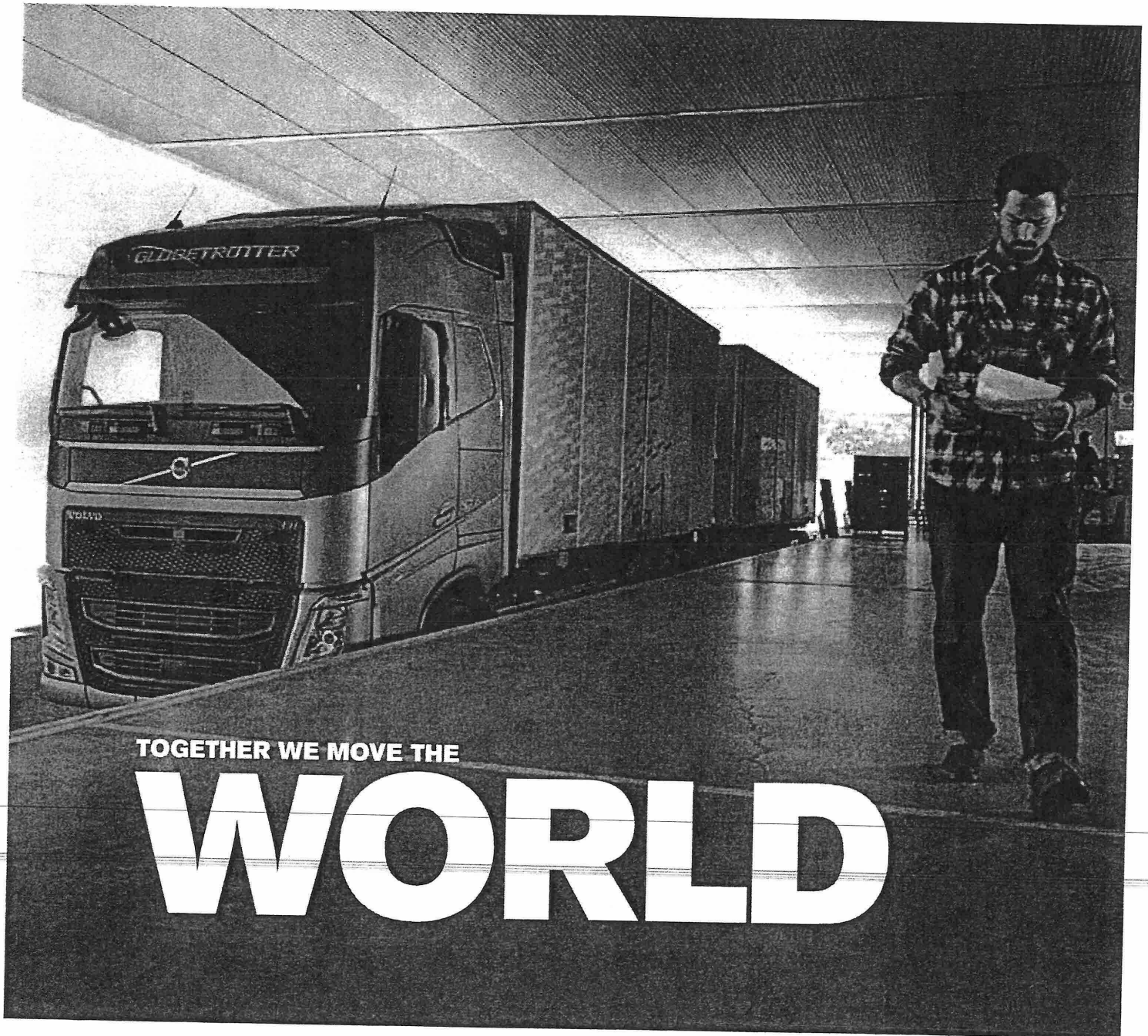
Respectfully submitted,

DRAFT

John S. Holley
Registration No. DRAFT

SUGHRUE MION, PLLC
Telephone: 202.293.7060
Facsimile: 202.293.7860
WASHINGTON OFFICE
CUSTOMER NUMBER
23373
Date: **DRAFT**

EXHIBIT 64



TOGETHER WE MOVE THE

WORLD

VOLVO

A Global Group

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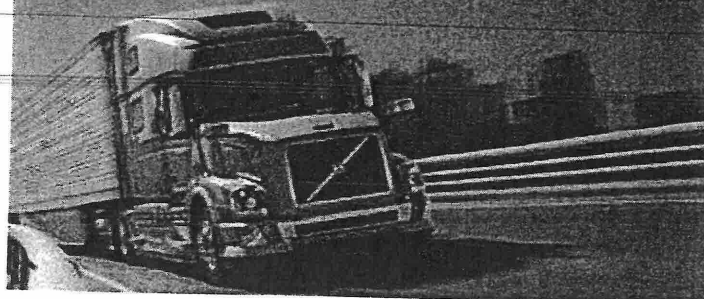
TOGETHER WE MOVE THE

WORLD

Without the products and services of the Volvo Group the societies where many of us live would not function. Like lifeblood, our trucks, buses, engines and construction equipment are involved in many of the functions that most of us rely on every day.

For instance, one in seven meals eaten in Europe reaches the consumers thanks to trucks from the Volvo Group rolling on the roads of the continent. Buses are the most common type of public transportation in the world, helping many people to reach work, school, vacations, friends and family. If all the Volvo buses in the world were to start at the same time, they would transport more than 10 million people. Our construction machines are used when building roads, houses, hospitals, airports, railroads, factories, offices, shopping centers and recreational facilities.

These are just a few examples. In this Annual Report, you can learn more about the Volvo Group – Together we move the world.

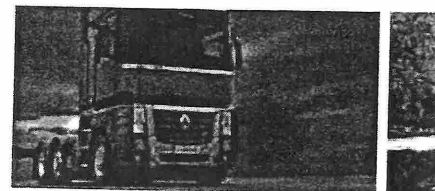


This report contains 'forward-looking statements'. Such statements reflect management's current expectations with respect to certain future events and potential financial performance. Although the Company believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove correct. Such statements are subject to risk and uncertainties and such future events and financial performance could differ materially from those set out in the forward looking statements as a result of, among other factors, (i) changes in economic, market and competitive conditions, (ii) success of business and operating initiatives, (iii) changes in the regulatory environment and other government actions, (iv) fluctuations in exchange rates and (v) business risk management. This report does not imply that the company has undertaken to revise these forward-looking statements, beyond what is required under the company's registration contract with OMX Nordic Exchange Stockholm if and when circumstances arise that will lead to changes compared to the date when these statements were provided. The Volvo Group's formal financial reports are presented on pages 56-73 and 89-173 in the printed version and has been audited by the company's auditors.

VOLVO GROUP

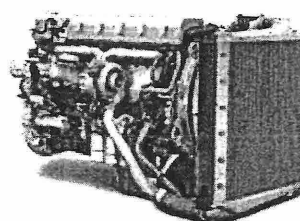
Complete partner

The Volvo Group is one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines. The Group also provides complete solutions for financing and service. The Volvo Group, which employs about 115,000 people, has production facilities in 18 countries and sells its products in more than 190 markets. In 2012 the Volvo Group's sales amounted to about SEK 304 billion. The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on OMX Nordic Exchange Stockholm.



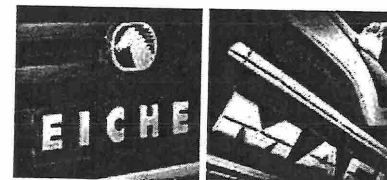
Strong positions

- One of the world's largest manufacturers of trucks.
- One of the largest within construction equipment.
- One of the world's largest manufacturers of heavy-duty diesel engines.
- Global market presence.



Strong brands

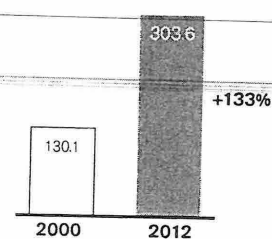
By selling products under different brands, the Group can address many different customer and market segments in mature as well as growth markets.

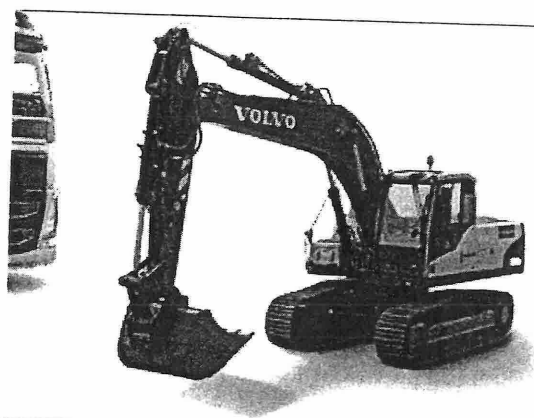
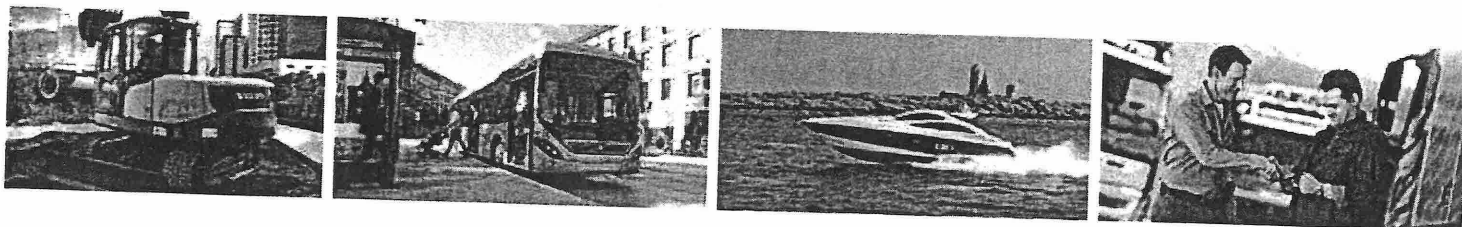


Global strength

Since the streamlining towards commercial vehicles was initiated more than ten years ago, the Volvo Group has significantly strengthened its positions outside the traditionally big markets of Western Europe and North America. Positions have been moved forward by acquisitions in primarily Asia and expansion of the distribution and service networks in for instance Eastern Europe and South America. In the year 2000, markets outside of Western Europe and North America accounted for 16% of Group sales. In 2012 that share had grown to 47%.

Volvo Group net sales
2000-2012, SEK bn





Share of net sales

Trucks, 63%

Construction Equipment, 21%

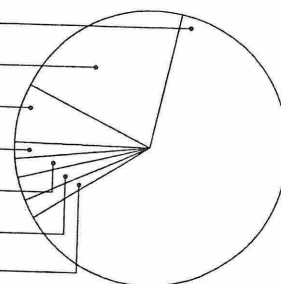
Buses, 7%

Volvo Penta, 2%

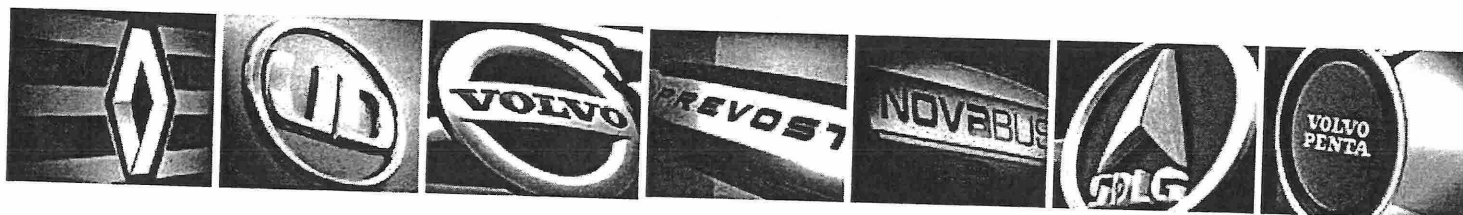
Volvo Aero, 2%*

Customer Finance, 3%

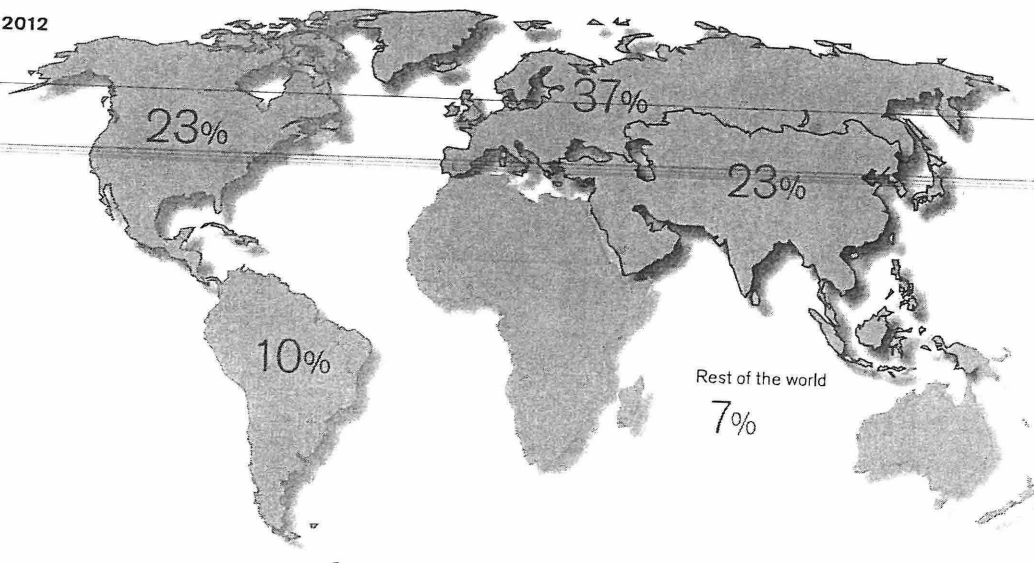
Other, 2%



* Volvo Aero was divested on October 1, 2012.



Share of net sales by market 2012

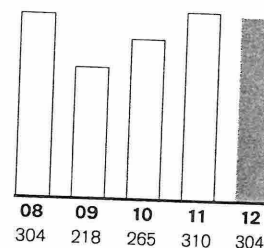


THE VOLVO GROUP 2012

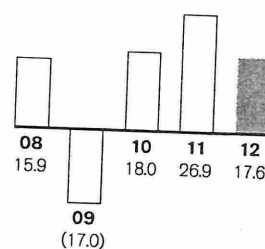
New strategy for the future

- » Net sales declined by 2% to **SEK 303.6 billion (310.4)**.
- » Operating income amounted to **SEK 17.6 billion (26.9)**.
- » Operating margin decreased to 5.8% **(8.7)**.
- » Net debt in the Industrial Operations of **29.3%** of shareholders' equity.
- » Proposed dividend of **SEK 3.00** per share (3.00).
- » New strategy put in place.
- » Volvo Aero divested.
- » Extensive product renewal under way.
- » New **Volvo FH** launched.
- » In early 2013, an agreement to acquire **45% of Dongfeng Commercial Vehicles** in China was signed.

Net sales, SEK bn



Operating income, SEK bn



Key ratios

| | 2012 | 2011 |
|--|-------------------|---------|
| Net sales Volvo Group, SEK M | 303,647 | 310,367 |
| Operating income Volvo Group, SEK M | 17,622 | 26,899 |
| Operating income Industrial Operations, SEK M | 16,130 | 25,930 |
| Operating income Customer Finance, SEK M | 1,492 | 969 |
| Operating margin Volvo Group, % | 5.8 | 8.7 |
| Income after financial items, SEK M | 15,355 | 24,929 |
| Income for the period, SEK M | 11,258 | 18,115 |
| Diluted earnings per share, SEK | 5.44 | 8.75 |
| Dividend per share, SEK | 3.00 ¹ | 3.00 |
| Return on shareholders' equity, % | 12.9 | 23.1 |
| Number of permanent employees | 98,717 | 98,162 |
| Share of women, % | 17 | 18 |
| Share of women, Presidents and other senior executives, % | 19 | 17 |
| Employee Engagement Index, % | 76 | 76 |
| Energy consumption, MWh/SEK M | 8.5 | 8.1 |
| CO ₂ emissions, tons/SEK M | 0.8 | 0.8 |
| Water consumption, m ³ /SEK M | 24.9 | 26.2 |
| Share of direct material purchasing spend from CSR assessed suppliers, % | 66 | 60 |

¹ According to the Board's proposal.

CEO COMMENT

A year of major changes

When I look back at 2012, I see a year when the Volvo Group experienced major changes. In rapid sequence, we implemented a major organizational change, we started work toward new strategic objectives, we sold Volvo Aero and we launched a very important product with the new Volvo FH truck. At the same time, it was a year when we faced some tough challenges.

Financially strong

The year started out strong, with increasing sales and improved profitability during the first half, but during the second half we were impacted by the decline in the global economy. During the autumn, demand fell in nearly all of our markets. From a full-year perspective, the truck markets in North America and Japan grew, Europe was slightly lower than in 2011 and Brazil saw a big decline.

For the Volvo Group, net sales in 2012 dropped to SEK 303.6 billion, compared with SEK 310.4 billion in 2011. Operating income amounted to SEK 17.6 billion (26.9) and the operating margin was 5.8% (8.7). A part of the explanation for the lower earnings is the measures we implemented in the Group to cope with the declining demand. We cut production but were not able to lower our costs at the speed of the drop in demand. At the same time, we worked hard to reduce inventories. This impacted Group earnings in the short-term, but enabled us to get inventories in balance by year-end. We also took restructuring charges for a number of important activities aimed at increasing long-term efficiency and profitability. Nonetheless, sales above SEK 300 billion and an operating margin close to 6% in relatively weak market conditions are proof of our products and services being appreciated by customers and also of the dedicated work of the Group's employees.

From a financial viewpoint we remain strong, with a net debt to equity ratio of 29% in the Industrial Operations, and for 2012 the Board of Directors proposes an ordinary dividend of SEK 3.00 per share. This is on the same level as last year and it would mean that the Volvo Group would distribute SEK 6.1 billion to its owners.

Intensive phase of product renewal

Overall, we maintained our market positions in most truck markets around the world, and Volvo CE strengthened its position as number one in China – the world's largest market for construction equipment. Volvo Buses made inroads into new customer segments thanks to hybrid buses at the forefront of the bus industry and Volvo Penta has a modern and competitive product range. But we do not stop there. To secure competitive future products for all our businesses, we are in a very intense phase of renewing and broadening the product portfolios.

In addition to the new Volvo FH, we are developing a completely new range for Renault Trucks which will be launched in 2013, a new series of trucks for the lower price segments in emerging markets and a new medium-duty engine range. We are also in the latter stages of development of engines for the Euro 6 emission legislation for trucks and buses and Tier 4f for construction equipment and Volvo Penta. All of these products will strengthen our position as a front-runner in our industries and contribute to taking us closer to our vision to be the world leader in sustainable transport solutions.

Full focus on strategy

2012 was the year when we laid a new foundation for the Group, and 2013 is the year when we are to start executing on our strategic objectives for 2015, which are clearly aimed at improving the Group's overall profitability. We have full focus on our strategy, and road maps have been developed for each of the 20 strategic objectives. The road maps have been further detailed and broken down into over 400 main activities that will be executed in order to improve profitability. Our strategy is described in detail in this report.

Foundation in place

- ☒ Revised Group vision
- ☒ New financial targets
- ☒ New incentive program aligned with financial targets
- ☒ New strategic objectives
- ☒ New organization
- ☒ New management teams
- ☒ New process-oriented workflow
- ☒ New corporate governance
- ☒ New brand positioning

The high activity level has been evident at the start of the 2013. The newly signed agreement with Dongfeng, which is pending approval by authorities, is a key event in the history of the Volvo Group. It will take us into the important Chinese truck market and when the transaction has been finalized the Volvo Group will become the world's largest manufacturer of heavy-duty trucks.

I would also like to extend my gratitude to all employees in the Group for all their efforts during 2012. In 2013 we continue with full speed ahead. We have an intense and exciting period ahead of us, and I am convinced that the Volvo Group will stand even stronger in the market when the economy turns upwards again.



Olof Persson
President and CEO



"To secure competitive future products for all our businesses, we are in a very intense phase of renewing and broadening the product portfolios."



FUTURE TRANSPORT NEEDS

Challenges create opportunities

The world is rapidly changing and it is crucial to keep up with the pace. Today, it is more important than ever to understand the operating environment, how it impacts the Volvo Group and, first and foremost, to act on these changes to meet future transport needs. Here some of the more significant challenges and the actions being undertaken by the Volvo Group to meet these challenges and turn them into business opportunities are defined.

1

Demographic changes and urbanization

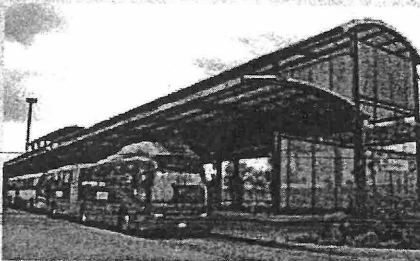
In 2050, the world's population is expected to exceed nine billion. Since 2008, more than half the world's population live in cities and in fifty years that figure is expected to reach two-thirds. This trend leads to an increased need for transportation and better infrastructure. Large quantities of goods, products and people are transported daily within as well as to and from cities. Cities, particularly major cities, have particular requirements for city and traffic planning. Furthermore, traffic jams as well as pollution and noise need to be addressed, for instance by vehicles which are specially adapted for urban environments.

2

Climate change and alternative fuels

Climate change comprises one of the most complex and difficult questions of our time, and the burning of fossil fuels such as oil is the single largest source of greenhouse-gas emissions. This means that increased fuel efficiency is of utmost importance, and it has also increased the interest in alternative, renewable-energy sources. The development of alternative fuels and electromobility differs widely in different regions depending on the natural resources available, which in turn drives the development of vehicles adapted for various types of energy sources. The move towards large-scale use of renewable energy is also dependent on political decisions and investment capacity to create the necessary infrastructure.

EXAMPLES OF OUR SOLUTIONS



Efficient transport with BRT systems

Bus Rapid Transit (BRT) is a public transport system with dedicated bus lanes, high service frequency and simplicity of boarding and alighting. It is fast, comfortable, safe and reliable. Furthermore, the investment cost is lower than alternatives such as public transport by rail and subway and the environmental impact is decreased when compared with individual travel by car. The concept was developed in the Brazilian city of Curitiba and many cities worldwide view BRT as a promising solution for public transport. Volvo Buses is a world-leading supplier of buses to modern BRT systems such as in Mexico City in the photo.



Fuel efficiency and new drivelines

The Volvo Group constantly strives to reduce the negative impact that our products have on the environment. This naturally entails increasing fuel efficiency. The Volvo Group estimates the fuel-saving potential for a standard truck will be 15% in 2020 compared with fuel consumption in 2005. We are also investing considerable resources in the development of alternative drivelines, for example hybrid solutions and drivelines optimized for renewable fuels, such as Methane Diesel and DME (dimethyl ether).

Building the future ...

3

Shortage of natural resources and raw material

Population growth, a rapidly growing middle class and increased purchasing power leads to larger numbers of people increasing their consumption. Mankind is utilizing an increasing amount of land, water and other resources. More efficient use of resources is required and the recovery of a greater proportion of material is becoming increasingly important to secure future access to material.

4

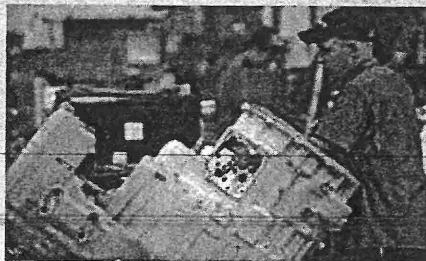
Safety and security

Traffic and road safety is becoming increasingly important as demands on transportation increases. The subject is a high priority for governments and institutions the world over. In the future, the focus on safety in a broader sense will continue to increase. This will impact the security of drivers, vehicles and goods.

5

Competent labor

For many years, interest has waned for education and careers in the fields of mathematics, natural sciences and engineering in some developed countries while interest has grown in some emerging markets. The need, however, for competent employees with these types of specialist skills will increase as the products and services are becoming increasingly sophisticated.



Recyclable products

The Volvo Group's products are largely recyclable, since by weight they consist of almost 85% metal, mostly iron, steel and aluminum. The additional materials are mainly plastic, rubber and material from electronics components. There are disassembly stations where trucks, buses and construction machines can be disassembled for re-use of some product parts and recycling of others. The photo shows remanufacturing within Volvo Construction Equipment Reman.



Smart vehicles

90% of all traffic accidents arise from the human factor. Smart vehicles with active safety systems that communicate with other vehicles and the surrounding infrastructure enable the driver to be liberated from monotonous tasks and instead create the possibility for the driver to focus his or her attention where it is really needed. With advanced technology for detection, electronic surveillance of transportation and electronic document management, drivers, vehicles and cargo can be better protected against crime.



An attractive employer

The Volvo Group's success hinges on having motivated and engaged employees, who are willing to take an active part in the Group's development and future. Therefore, The Group invests in the development, health and wellbeing of its employees. The Volvo Group also strives for a company culture in which employees are encouraged to develop and seek out new challenges in their careers.

Long-term growth

First up and then down again. The transportation industry is cyclical with swings up and down in the short term. Then add emission standards, political decisions and expectations about the future, all of which impact customers' decisions to purchase now or wait until later. However, in the longer term, the industry's growth is closely linked to an increasing need for transports as economies grow.

Closely linked to the GDP development

The Volvo Group is one part of the transport industry that connects production with consumption. We are what you might call the life blood. Demand for transport capacity and thus for many of the Group's products is closely linked to the GDP trend.

The extent of investment in infrastructure, which drives demand for building and construction equipment, is also closely linked to the GDP trend. Increased global wealth means that there is a long-term need to build roads, airports, railways, factories, offices, shopping centers, as well as housing and recreational facilities. In the short term, demand is affected by a number of factors including fuel prices, the implementation of new emission regulations, interest rates, etc.

The registration of new trucks on a particular market often follows the same pattern as economic growth in the region.

– The transport industry is largely in tune with the overall economic development, but demand for our products is also governed very largely by expectations about the future, says Johan Adler, Head of Economic Research in the Volvo Group.

This is one of the explanations why many

North American haulage companies chose to postpone their investment decisions in the autumn of 2012. Even if there was business to be done and goods to transport, with both the presidential election and federal budget negotiations around the corner, customers decided it was better to be safe than sorry and therefore postponed their purchases.

Markets move at different paces

The transportation industry is directly linked to economic developments, but the global economies do not move at the same pace. Countries that are heavily dependent on exports, such as Sweden and Germany, are more affected when consumers in other countries tighten their belts. Countries like the USA and Brazil are also impacted by a slowdown, but to a lesser degree, as they have such large domestic markets and a relatively small part of what they produce is exported.

– The fact that the Volvo Group is global is an enormous advantage. If we had not been established on the growth markets, we wouldn't have been in the position we currently enjoy, says Johan Adler.

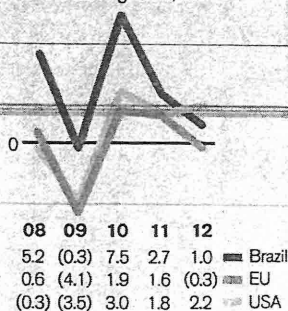
Another kind of event that impacts the whole

of the commercial vehicle industry is the introduction of new emission legislation. New standards have traditionally resulted in more expensive, more technically complex trucks. This has generated an advance purchasing effect, a prebuy, as haulage companies have taken the opportunity to update their fleets just before the new regulations come into force. At the same time, new regulations have positive effects on the environment.

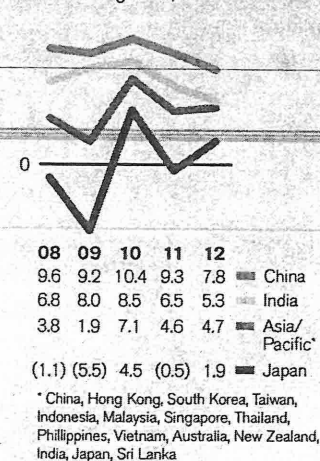
Growth rates in different parts of the world

According to Consensus Economics, global GDP grew by 2.5% during 2012 compared with 3.1% in 2011. GDP in the EU declined by 0.3% following and increase by 1.6% in 2011. US GDP increased by 2.2% (1.8%). Japan's GDP expanded by 1.9% following a decline of 0.5% in 2011. Growth in countries such as Brazil, India and China hit cyclical lows during 2012. For 2013, global GDP is expected to grow by 2.6%. The emerging markets in primarily Asia and Latin America are foreseen to be the prime drivers of global growth.

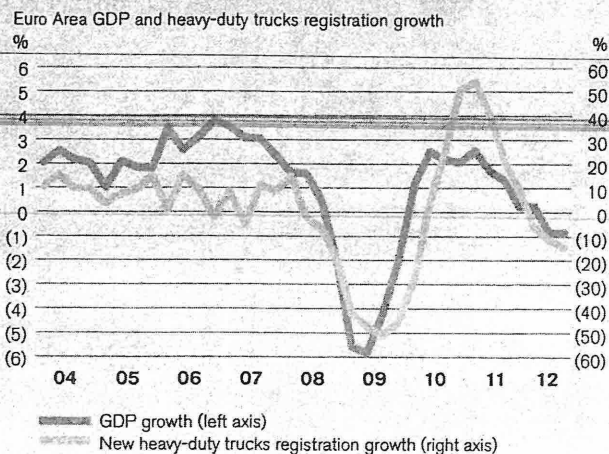
Economic growth in the U.S., Europe and Brazil
Annual GDP-growth, %



Economic growth in Asia
Annual GDP-growth, %



The Volvo business moves in close tandem with macroeconomic development



LOOKING INTO THE CRYSTAL BALL

Twenty in 25 years that the Volvo Group's future is fully covered. That's exactly how we see it. Our vision is to be a leading provider of sustainable transport solutions. That means we're looking at a wide range of vehicles, from trucks to buses, and even at the infrastructure that supports them. That means we're looking at a wide range of technologies, from electric to autonomous, and even at the business models that will emerge. That means we're looking at a wide range of challenges, from energy to urbanization, and even at the solutions that will emerge. That means we're looking at a wide range of opportunities, from new markets to new products, and even at the partnerships that will emerge. That means we're looking at a wide range of possibilities, from the impossible to the unimaginable, and even at the dreams that will emerge. That means we're looking at a wide range of futures, from the distant to the immediate, and even at the hopes that will emerge. That means we're looking at a wide range of worlds, from the real to the virtual, and even at the dreams that will emerge. That means we're looking at a wide range of possibilities, from the impossible to the unimaginable, and even at the dreams that will emerge. That means we're looking at a wide range of futures, from the distant to the immediate, and even at the hopes that will emerge. That means we're looking at a wide range of worlds, from the real to the virtual, and even at the dreams that will emerge.

Did you know that...

Your truck is loaded at four times the rate of a conventional truck. And you're completely protected from rain in the cab.



Research to meet future needs

Wheel loaders without drivers, virtual sheet painting and electric buses that charge in ten minutes. In 2012, the Volvo Group opened the door to the future with its new Tech World website. For the first time, many of the research projects on which the company's engineers have been involved were openly displayed.

The Volvo Group is one of the world's largest manufacturers of commercial vehicles and a leader in terms of developing sustainable transport solutions of the future. In 2012, the Volvo Group invested almost SEK 15 billion in research and development.

Research and development has always been the most secretive aspect of a company. This is natural, since it involves launching new solutions ahead of competitors. Nevertheless, the Volvo Group has decided to display some of the company's work for the future on its new website Tech World.

—Times are different and being open about where we are heading is now beneficial for us, our customers and society, says Torbjörn Holmström, Executive Vice President Group Trucks Technology and Chief Technology Officer of the Volvo Group. We will have the greatest opportunity to address current challenges and those of the future through cooperation.

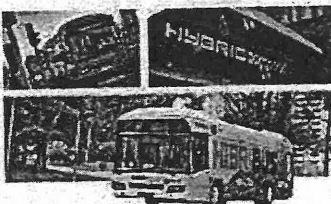
Another key aim of the website is to show existing and future engineers the width of the subject areas

that are encompassed by the Volvo Group.

Tech World features a large number of examples of future projects: automatic construction equipment, vehicle fuel from forest raw material, vehicles that communicate with each other, electricity generation from surplus engine heat, boat simulators and much more. The Volvo Group's engineers share their expertise and also present some of the challenges that remain to be overcome.

Charging a plug-in hybrid bus in just ten minutes

In a time of increasing numbers of urban vehicles and a demand for greener and more pleasant cities, our engineers are facing quite a few challenges. Not only are they looking to reduce carbon dioxide emissions from public city buses, but also to make them more efficient. That's why we're looking at a plug-in hybrid bus that can be charged in just ten minutes. This is a fully electric public city transport infrastructure.



Hybrid truck for cool city distribution

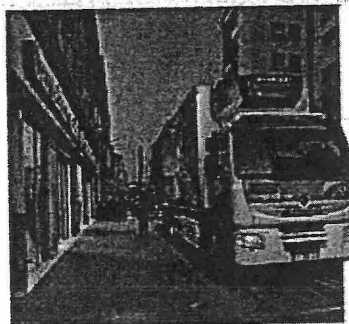
Plug-in hybrid technology is important for reducing the carbon footprint of heavy trucks. Especially for those city distributors. That's why we designed and built a prototype of a complete plug-in hybrid truck with refrigerated cargo.

Why is it more efficient?

- 10 km of full electric driving with electrification of the drive cycle
- Fuel consumption: 100% reduction in CO₂ emissions (significant)

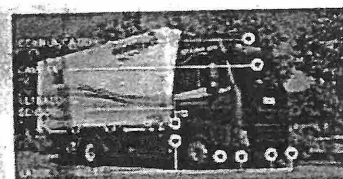
What are the new features?

- Rechargeable battery electric system
- Electric powertrain to drive auxiliary
- Electric powertrain to drive auxiliary
- Electric powertrain to drive auxiliary
- Electric powertrain to drive auxiliary
- Electric powertrain to drive auxiliary
- Electric powertrain to drive auxiliary
- Electric powertrain to drive auxiliary



Laser scanners that spot pedestrians

Drivers have great difficulty spotting pedestrians and cyclists in the blind spot, so the truck's chassis. It takes four ever-view sensors to make it in the traditional way, with the aid of a sensor that has the ability to detect them all. Volvo Group's in-truck warning system scans the surroundings and provides a solution for the future.



DOWNLOAD THE COMMUTE GREENER APP

Keep track of your CO₂ footprint, save time and money and make your commute greener. With this smart app from Volvo Group, it calculates your environmental impact and lets you set targets for improvements. You can also track your progress and share it with friends.



Read more at
<http://techworld.volvogroup.com/>

STRATEGIC APPROACH

The road we are taking

The Volvo Group's long-term plans stake out the road to success – to our vision, our target, as well as our wanted position. Our core values, focus areas, strategic objectives, road maps toward targets and activity plans will help us to achieve this as efficiently as possible.

During 2012, we adapted the Volvo Group's governance to becoming more efficient and launched a new strategy to achieve the Volvo Group's targets, wanted position and ultimately, our vision.

All work within the Volvo Group is based on a long-term sustainable perspective, since we are convinced that corporate social responsibility will contribute to long-term success. Assuming responsibility is deeply rooted in our culture and has its base in our core values and policies in the Group's Code of Conduct. We strive to assume economic, environmental and social responsibility for the operation, products and services in the areas where the Group has the potential to exert influence.

This will enable us to strengthen our brands and relations with business partners and thus create new business opportunities that offer long-term growth and improved profitability.

Changed prerequisites

The global presence of the Volvo Group has undergone a dramatic change in the past decade. The Group has grown considerably in emerging

markets and has welcomed new employees and companies. As a consequence of this, the Group currently has operations in approximately 190 markets and employs about 115,000 individuals, who strive to create efficient and sustainable transport solutions for our customers.

Adaptation of governance

In the past year, we made extensive efforts to adapt the Volvo Group to the conditions and expectations of the business world and the future – and to achieve our wanted position by 2020. The efforts resulted in us taking a step toward governance as one Group with coordinated long-term plans for the business areas. The pace has increased with respect to governance and reconciliations connected to the development of the business areas. We have established a distinct brand portfolio and have moved from a regional focus with individual brands to a globally coordinated approach. In addition, we have created a more distinct distribution of responsibility with measurable targets. It is necessary to have all of this in place prior to the commencement of work based on the new strategies.



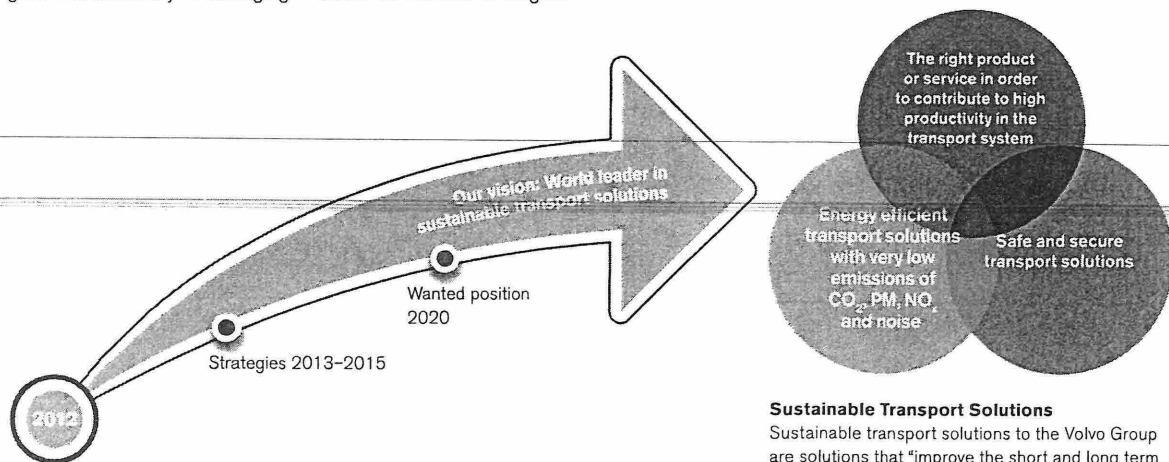
The Global Compact

In 2001, the Volvo Group signed Global Compact, UN's initiative on socially responsible business practices. The Volvo Group's principles for responsible business are based on Global Compact among other.

Strategy process to achieve the wanted position and vision

During 2012, a new strategy process was launched, which has resulted in three-year strategies for the individual business areas of the Volvo Group. The process resulted in five to nine focus areas, which are particularly significant for the future development, and approximately 20 strategic objectives per business area. The strategic objectives have been divided into more than 100 road maps and a large number of activity plans.

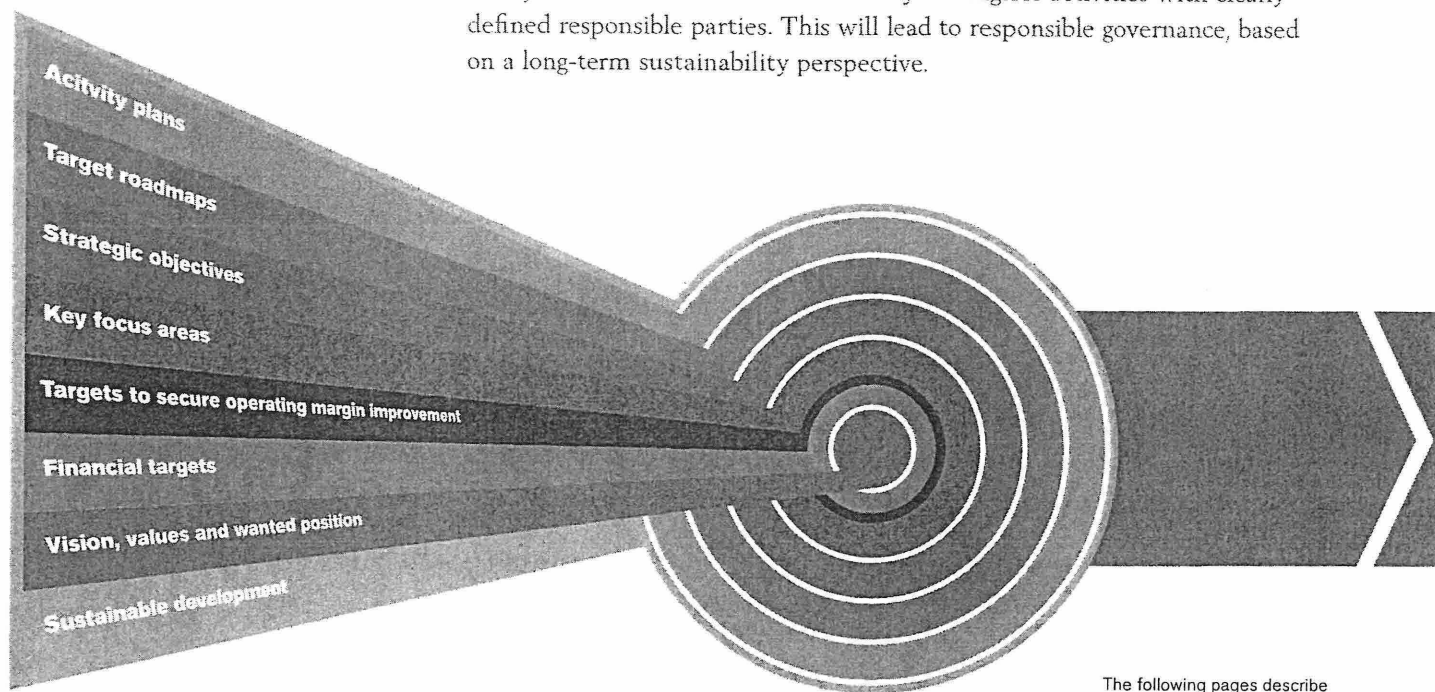
Our structure for governance encourages close monitoring, as well as rapid and efficient decisions and early adjustments, when necessary. The system also aims to involve all employees, by clarifying how each individual is important to achieving the targets.



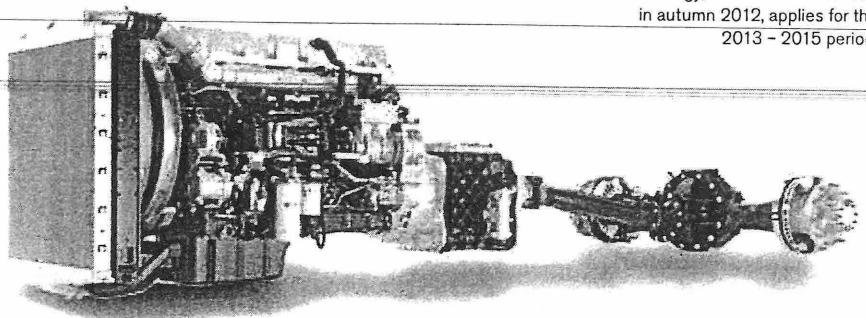
Sustainable Transport Solutions

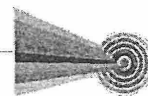
Sustainable transport solutions to the Volvo Group are solutions that "improve the short and long term economic and environmental performance meanwhile social impact is considered".

All work in the Volvo Group is based on our vision, our values and the wanted position. Based on this core, outer rings are created in the form of objectives and focus areas all the way to tangible activities with clearly defined responsible parties. This will lead to responsible governance, based on a long-term sustainability perspective.



The following pages describe our strategic work, from the vision to the focus areas and strategic objectives. The new strategy, which was announced in autumn 2012, applies for the 2013 - 2015 period.





Vision, Core values and Wanted position

The Volvo Group is part of the global society as well as many local societies. This provides us with the opportunity and ability to influence and contribute to social and business development. We strive to act responsibly, take into account the opinions of various stakeholders and create value for our shareholders and society. The overall objective is to become the world leader in sustainable transport solutions.

Our vision

The Volvo Group's vision is to become the world leader in sustainable transport solutions by:

- creating value for customers in selected segments
- pioneering products and services for the transport and infrastructure industries
- driving quality, safety and environmental care
- working with energy, passion and respect for the individual.

Our values

The Volvo Group views its corporate culture as a unique asset, since it is difficult for competitors to copy. By applying and strengthening the expertise and culture we have built up over the years, we can achieve our vision.

Quality, safety and environmental care are the values that form the Volvo Group's common base and are important components of our corporate culture. The core values have a long tradition and permeate our organization, our products and our way of working. They are an important part of corporate social responsibility, and our goal is to maintain a leading position in these areas.

Volvo Group Wanted position 2020

- We are among the most profitable in our industry.
- We are our customers' closest business partners.
- We have captured profitable growth opportunities.
- We are proven innovators of energy-efficient transport and infrastructure solutions.
- We are a global team of high performing people.



Quality

Quality is an expression of our goal to offer reliable products and services. In all aspects of our operations, from product development and production to delivery and customer support, the focus shall be on customers' needs and expectations. Our goal is to meet or exceed their expectations. With a customer focus based on everyone's commitment and participation, our aim is to be number one in customer satisfaction. This is based on a culture in which all employees are responsive and aware of what must be accomplished to be the best business partner.

Safety

Safety pertains to how our products are used in society. We have had a leading position in issues regarding safety for a long time; our goal is to maintain this position. A focus on safety is an integral part of our product development work. Our employees are highly aware of safety issues, and the knowledge gained from our internal crash investigations is applied in product development. Our goal is to reduce the risk of accidents and mitigate the consequences of any accidents that may occur as well as to improve the personal safety and the work environment of the drivers of our vehicles and equipment. Our long-term vision is zero accidents.

Environmental care

We believe that it is self-evident that our products and our operations shall have the lowest possible adverse impact on the environment. We are working to further improve energy efficiency and to reduce emissions in all aspects of our business, with particular focus on the use of our products. Our goal is for the Volvo Group to be ranked as a leader in environmental care within our industry. To achieve this goal, we strive for a holistic view, continuous improvement, technical development and efficient resource utilization.

Financial targets from 2012

Starting in 2012 new financial targets for the Volvo Group were implemented. The new targets have been set in order to enable the growth and profitability of the various operations to be measured and benchmarked annually against competitors. This creates a clear picture of how the operations are developing compared to the industry. Information on how the comparison with competitors is made is available under the heading Investors on www.volvogroup.com.

INDUSTRIAL OPERATIONS

Trucks and Buses

| Target | Comparison group | Preliminary outcome* |
|--|---|--|
| The annual organic sales growth for the truck and bus operations shall be equal to or exceed a weighted-average for comparable competitors. | Daimler, Iveco, MAN, Navistar, Paccar, Scania and Sinotruk.* | The organic sales decreased by 3.2% for the Volvo Group's truck and bus operations and was below the weighted average of -1.0% for the competitors. |
| Each year, the operating margin for the truck and bus operations shall be ranked among the top two companies when benchmarked against relevant competitors. | * Navistar's figures are based on rolling four quarters as of the third quarter of 2012 and Sinotruk's figures are based on rolling four quarters as of the second quarter of 2012. | The operating margin of 4.3% for the Volvo Group's truck and bus operations was ranked number four in comparison with the competitors. |

Construction Equipment and Volvo Penta

| Target | Comparison group | Preliminary outcome |
|--|--|--|
| The annual organic sales growth for the construction equipment operations and Volvo Penta, shall be equal to or exceed a weighted-average for comparable competitors. | Brunswick, Caterpillar, CNH, Cummins, Deere, Hitachi, Komatsu and Terex. | The organic sales decreased by 2.9% for the Volvo Group's construction equipment operations and Volvo Penta and was below the weighted average of 2.3% for the competitors. |
| Each year, the operating margin for the construction equipment operations and Volvo Penta, shall be ranked among the top two companies when benchmarked against relevant competitors. | | The operating margin of 8.3% for the Volvo Group's construction equipment operations and Volvo Penta was ranked number five in comparison with the competitors. |

Industrial Operations

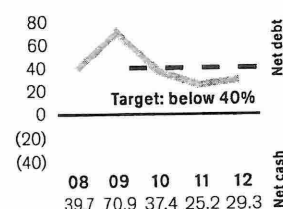
Target and outcome

The **financial net debt**, including provisions for post-employment benefits, for the Industrial Operations shall be a maximum of 40% of shareholders' equity under normal conditions. At the end of 2012, the financial net debt amounted to 29.3% of shareholders' equity.

As of January 1, 2013, new accounting rules for employee benefits was effective. As a consequence, AB Volvo's Board of Directors has decided to exclude pension obligations from the

target. According to the new target, the Industrial Operations' net financial debt, excluding pension obligations, shall be a maximum of 35% of shareholders' equity under normal conditions. The new target of 35% corresponds to the previous financial target of 40% in which pension obligations were included.

Net financial debt as a percentage of shareholders' equity, %

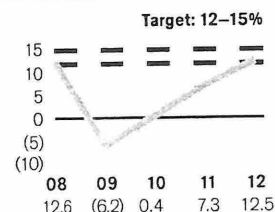


CUSTOMER FINANCE OPERATIONS

Target and outcome

The target for Customer Finance is a return on shareholders' equity of 12-15% and an equity ratio above 8%. The return on shareholders' equity for 2012 amounted to 12.5%. At year end 2012 the equity ratio was 8.1%.

Return on shareholders' equity, %





Targets to secure improved Group profitability

The targets for the coming strategy period, 2013 – 2015, was announced in autumn 2012. The overall target is to increase the operating margin by 3 percentage points for the Group as a whole. The truck operation has the greatest impact on profitability. The calculation below is based on Group sales of SEK 300 billion and truck sales of SEK 200 billion. To safeguard against unexpected events, 2 percentage points in the form of "headwind factor" have been deducted.

The strategy for 2013–2015 will ultimately lead to higher organic growth, while profitability will improve as we improve cost-efficiency and apply effective pricing and optimized positioning of our brands and products.

| Strategic objectives | Expected impact on Group operating margin |
|---|---|
| Trucks' impact on Group | + app. 4.0 percentage points |
| Business Areas: Volvo CE, Buses, Volvo Penta, Governmental Sales, Financial Services | + app. 0.5 percentage points |
| IT cost at 2% of total Group costs | + app. 0.5 percentage points |
| | = app. 5.0 percentage points |
| | – Headwind factor |
| Targeted net improvement | = app. 3 percentage points |

Drive organic revenue growth

Improve profitability

+ 3 percentage points



Truck operations' focus areas and strategic objectives

After 15 years of active acquisition strategy and streamlining to commercial vehicles, the Volvo Group is now entering a new phase, with a focus on driving organic growth and improving profitability. In the strategy for 2013 – 2015, we have identified five focus areas that have particularly high impact on the truck operation, for which there are 20 strategic objectives. Each objective is clearly restricted and measurable and is connected to both financial and operational key figures. In addition, there is a clearly defined responsible party for each individual strategic objective.

1

Focus area 1: Secure number 1 or 2 in profitability

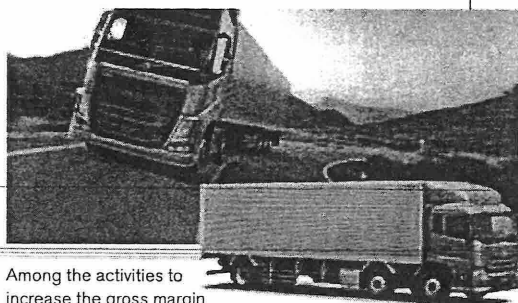
We operate in a capital-intensive industry. Significant investments are necessary to simply comply with new regulations. Furthermore, a strong financial position affords us the opportunity to act, and to fund innovation and development, and our own expansion. To achieve this, we must excel in turning "volumes into profit" and capture the potential for efficiency that is associated with being a truly global player.

1.1 Increase vehicle gross profit margin per region by 3 percentage points
To increase the vehicle gross profit margin we must sell our products at the optimal price level and offer the right product mix in various markets. It also requires that we understand our customers – and their customers – and that we continuously improve the sales process.

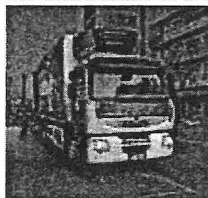
1.2 Reduce actual standard cost of sales on total cost for current offer by 10%
Reducing the actual standard cost of sales will improve the bottom line, lower the break-even point and enable profitable growth. The main components of standard cost of sales include the material cost, manufacturing cost, logistics cost, warranty and technical goodwill.

1.3 Decrease wholesale selling expenses to 5% of sales
To reduce selling expenses we must align our whole-sale organizations – from region to end customers – to drive productivity and efficiency. Sharing best practice and fine-tuning our processes will play an important role.

1.4 Increase own dealer soft offer absorption rate by 10 percentage points
A healthy aftermarket business with a total offer approach will reduce the vulnerability of our dealers to the cyclical demand for new trucks. A first-rate dealer network is also an important driver of customer loyalty and a way for us to become a real solutions provider. We need an appropriate number of workshops in the right locations, with the right tools, methods, and personnel skills, working according to the Genuine Service Process.



Among the activities to increase the gross margin are the coordination of the brand and product positioning (Read more on page >> 22), the launch of a new truck series for the lower price segments in emerging markets (Page >> 48) and the phase-out of unprofitable products and markets (Read more about UD Trucks in North America on page >> 42).



1.5 Reduce R&D cost (spending pace) to 11.5 BSEK
A flexible, scalable research and development structure is key to increasing R&D efficiency. This will help us to more effectively manage multiple demands in various markets. An optimized project portfolio is another key factor.

1.6 IT cost on 2% of Volvo Group total cost by 2015
This strategic objective is to optimize the business value from IT over time. The use of global processes enables the deployment of a larger proportion of common applications and the phasing out of redundant applications. One goal is to improve the balance between running and development cost. It is crucial that we keep a tight rein on IT costs even in an upturn when margins are better.

2

Focus area 2: Strengthen customer business partnership

Success is based on being the best at solving our customers' problems and strengthening their operational performance. This is a key factor in building customer loyalty and becoming our customers' preferred business partner.

2.1 We will achieve 99% product availability contributing to "strengthen customer business partnership". The first strategic objective within this area is to achieve up to 99% product availability, since uptime is a decisive factor for our customers. Reaching this level will require improved product quality, measures to avoid unplanned stops, rapid truck repair, and optimized preventive maintenance to reduce downtime.

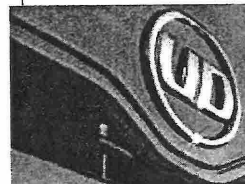
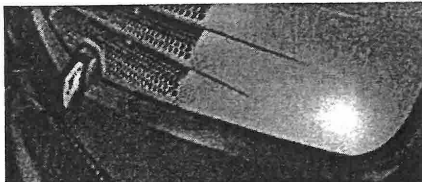
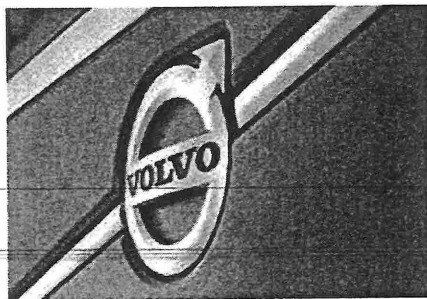
2.2 Drive retail excellence by implementation of an integrated customer interface tool. We must strengthen the way our processes and tools support our personnel at all customer touch points, providing them with an overview of the total business relationship with a particular customer. This will improve our ability to offer our customers the right products and services. Examples of areas to address include the retail process, system architecture, information management and information sharing.

2.3 Each brand to rank number 1 on decided brand attributes in competitive set

The Volvo Group's portfolio of brands as a whole can capture a larger share of the total trucks market if we utilize the full potential of each of our brands. Working with customer segmentation and distinct brand attributes will be decisive in terms of how we position each brand in the market to enable the best opportunities for growth.

Drive organic
revenue growth

Improve
profitability



The Group's strong brands are important assets. By selling products under different brands, the Group can address many different customer and market segments in mature as well as growth markets. Read more on page >> 22. More information on the Volvo Groups' service offering is available on page >> 28.



3

Focus area 3: Capture profitable growth opportunities

We want to retain and strengthen our position as a profitable and global player in the truck industry. This is crucial given that high volumes help us achieve economies of scale and maintain our priority position among suppliers and retailers. Organic sales growth should be on par with or surpass the weighted average for our competitors.

- 3.1 By optimizing the brand assets become number 1 or 2 in combined Group Trucks HD market share. Our brand portfolio represents a unique strength. It is our goal to become number 1 or 2 in combined Group Trucks market share for heavy duty trucks in mature markets. In a number of markets we can optimize the manner in which we use our brand portfolio, also addressing new customer segments. Other measures include ensuring the right product quality and the appropriate coverage in sales and service networks.

- 3.2 Establish required commercial presence to support revenue growth by 50% in APAC (Asia Pacific) and 25% in Africa

New markets are emerging and we must lie ahead of the projected growth curve. This requires that we cover strategic locations, understand the specifics of selected emerging markets, and adapt our business models accordingly.

- 3.3 Establish required Order to Delivery footprint and supply chain in APAC and Africa achieving lead time reduction by 15% and capital tied up reduction by 15%

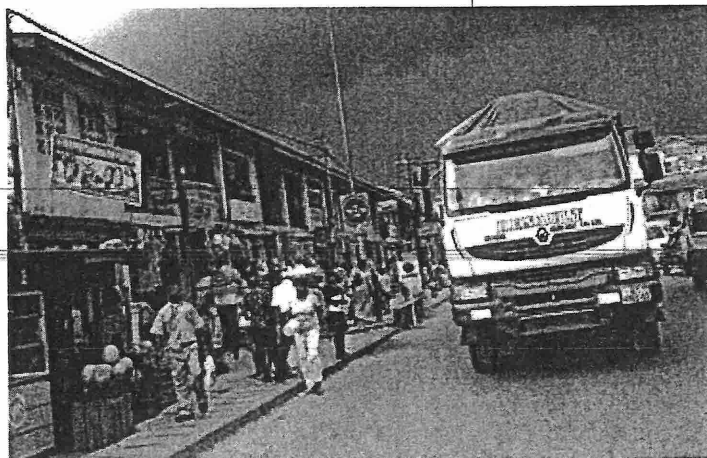
This relates to further developing what has already been built up and set in motion in the Asia Pacific region, and gearing up in Africa to match our commercial ambitions for that continent. Reaching this target will require action in such areas as sourcing strategies and supplier performance, as well as industrial and logistical structure.

- 3.4 Increase aftermarket sales per unit in operation by 12%, including total commercial solution offer for second and third owner

This objective aims to increase our share of the aftermarket business, covering the first, second and third owner of the trucks. We will achieve this by providing a competitive offering for parts and services wherever the location of the vehicles. Our offering should encompass all of our customers' needs.

- 3.5 Build 1 billion SEK new businesses complementary to existing offering

We recognize the potential for new business, and for expanding our current offering, in such areas such as vehicle productivity. Other examples include revenue streams from the truck end-of-life phase and from services facilitated by connected vehicles.



In addition to South America and Eastern Europe, Asia and Africa are important growth markets for the Volvo Group. Read more about the Volvo Group's development in Africa on page >> 52.



4

Focus area 4: Innovate energy-efficient transport and infrastructure solutions

Environmental concerns, political demands, megacities and fuel prices are driving regulation and green technology. We must be able to anticipate and act on changing market demands and shifts in technology, and have the capacity to rapidly bring new solutions to market.

4.1 Fuel efficiency to be improved by 2% per annum through vehicle optimization, diesel efficiency and electromobility

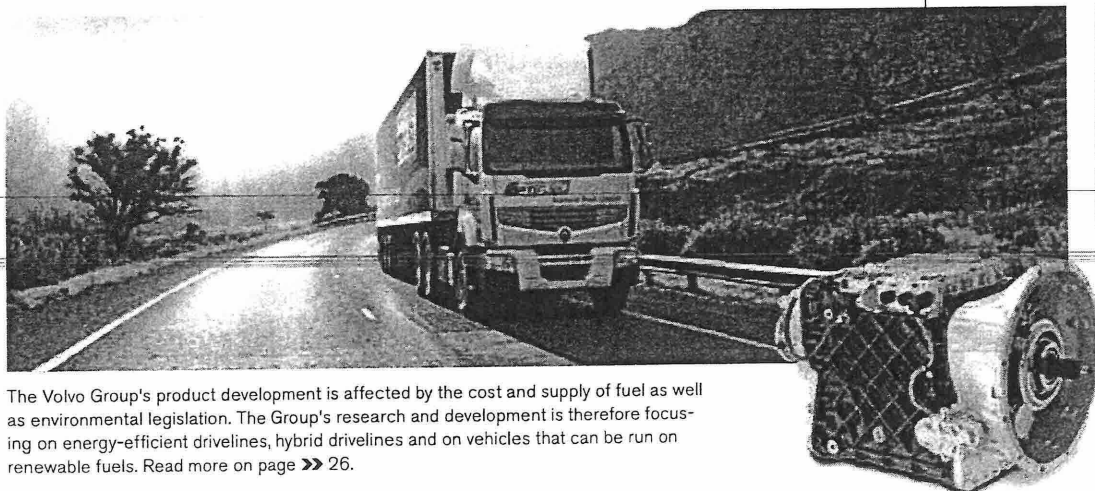
We aim to remain the leader in fuel economy. To reach our annual goal of 2%, we need to pursue fuel-efficiency improvements and optimization of Group Trucks vehicles and the existing diesel engine platform. We must also continue to develop hybrid solutions and alternative drivelines.

4.2 Commercialize alternative fuel technology by launching concepts or products in all regions

Coming up with groundbreaking innovations is not enough. We must turn them into commercially viable products and bring them to market. To succeed in this respect, we must work in close partnership with customers and providers of infrastructure and alternative fuels.

Drive organic revenue growth

Improve profitability



The Volvo Group's product development is affected by the cost and supply of fuel as well as environmental legislation. The Group's research and development is therefore focusing on energy-efficient drivelines, hybrid drivelines and on vehicles that can be run on renewable fuels. Read more on page >> 26.



5

Focus area 5: Build high performing global teams

To outperform competitors and achieve agreed objectives, we must attract and retain people with the right competencies across all of our businesses. Fully leveraging the existing in-depth business expertise and adopting best practices throughout our global organization will set us apart from the competition.

5.1 Become an attractive employer measured by reaching the employee engagement level (EEI) of high performing companies
We want to have committed employees with a level of engagement that is on par with high performing companies, defined as the top 25 percent. This will enable us to deliver on our business objectives and make us an attractive employer. Furthermore, our workplaces should have an open and inclusive culture, providing a healthy and inspiring work environment.

5.2 Drive high performance measured by reaching performance excellence level (PEI) of high performing companies
This objective aims to drive continuous improvements and high performance. Each individual needs clear personal objectives that are aligned with the strategic objectives of Group Trucks. Managers must provide clear feedback to employees and reward and recognize performance.

5.3 Secure leadership and strategic competencies, primary focus is the implementation of Volvo Group University
By establishing a Volvo Group University, we will gather training and development activities in a shared, efficient organization. Other aspects of this objective include enhancing knowledge transfer and mobility in the Group, carrying out talent reviews on all levels and improving our ability to plan and secure our future competency requirements.

5.4 Build an efficient and inclusive organization by implementing common global level 1 and 2 processes
Effectively utilizing process orientation and standardization will help us create a more efficient organization and provide us with a map that more clearly defines roles and responsibilities. By implementing shared global processes we will truly become one company, with a cohesive culture based on the Volvo Way.



The Volvo Group's vision is to become the world leader in sustainable transport solutions. A deciding factor in fulfilling this vision is our employees and their knowledge and commitment. Read more on page >> 30.

Business areas strategies

Growing and becoming more profitable are the main focus areas for Volvo CE, Volvo Buses, Volvo Penta and Volvo Financial Services for the next three-year period, 2013–2015. Developing on more markets is another common denominator. Here, the presidents of Volvo Buses, Volvo CE and Volvo Penta as well as Volvo Financial Services outline their respective strategies.

Volvo Buses

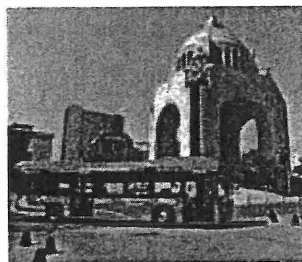


The challenge for Volvo Buses is to obtain a sharp improvement in profitability by 2015. One way of achieving this is to expand in Asia.

—Growth in Asia is really significant and we already enjoy a strong position there. We are now going to continue along the same lines, says the acting president of Volvo Buses, Håkan Karlsson.

Volvo Buses has identified eight areas on which it is especially important to focus during the next three-year period. They will all help to improve profitability and make Volvo Buses one of the most profitable bus companies.

—This is our absolutely top priority. We are talking about an aggressive,



powerful increase and it's essential that all the employees are both aware of and committed to it, says Håkan Karlsson.

Read more about Volvo Buses' new telematics system, which is currently being used in more than 20 countries, on page >> 60.

Volvo CE



For Volvo CE, the next three years will focus on growth and profitability and, according to company president, Pat Olney, the potential for success is there for all to see.

—The important thing now is to make the whole organization understand that we need to change the way we think. We are transforming Volvo CE to meet the opportunity of the future, he says.

Growth, efficiency and leadership are Volvo CE's three cornerstones in the new strategy for 2013–2015. Using these three guiding principles as the starting point, Volvo CE has selected nine key focus areas.

They include allowing Volvo CE's two brands, Volvo and SDLG (Shandong



Lingong) to develop and expand on more markets than today – SDLG outside China and Volvo in India, China and Brazil, for example.

Read more about Volvo CE's wheel loader L105, developed specifically for the Chinese market, on page >> 48.

Drive organic revenue growth

Improve profitability

Volvo Buses' focus areas

- Number 1 in customer satisfaction.
- Profitable core market clusters.
- Soft product acceleration.
- Asia leverage.
- Profitable product portfolio.
- Manufacturing efficiency.
- Research and development efficiency.
- One company culture with high performing people and organization.

Volvo CE's focus areas

- Profitably grow SDLG business globally.
- Develop Volvo branded products for emerging markets.
- Significantly increase Customer Solutions revenues.
- Significantly increase dealer and supply chain capability.
- Increase share and profitability of Road products.
- Increase gross margin per machine.
- Increase product portfolio development (PPD) efficiency.
- Deploy CAST globally (Common Architecture, Shared Technology).
- Develop, recognize and promote excellent leadership.